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California. State
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Title:

Abstract of hearings on
unemployment before...

Place:

San Francisco

Date:

1932

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April and May, 1932, Edward J. Hanna, chairman
... San Francisco, State building, 1932.
244 p. illus. 23cm.

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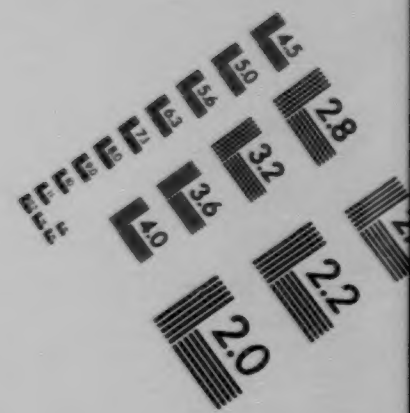
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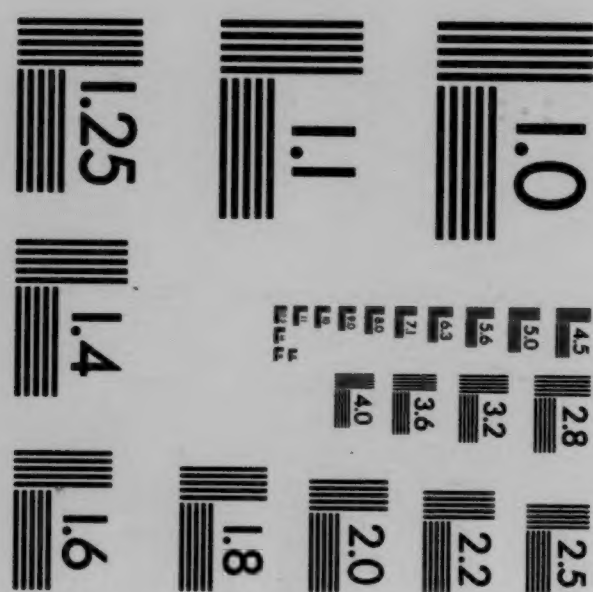
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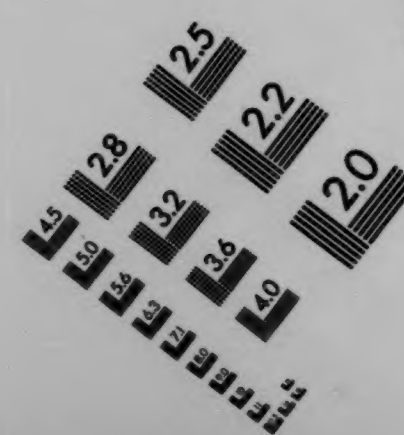
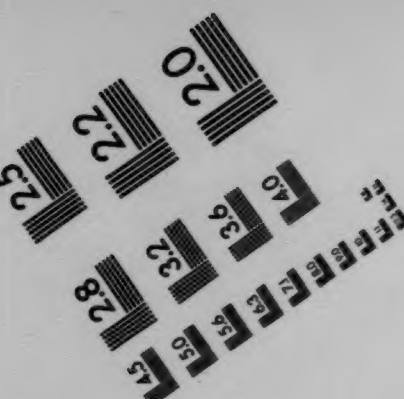
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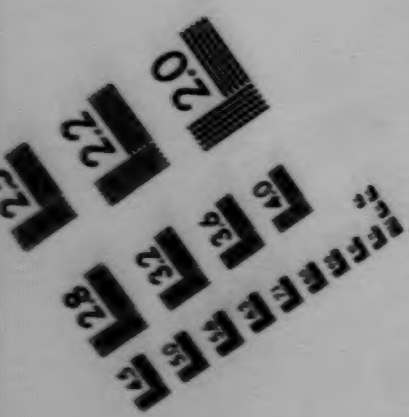
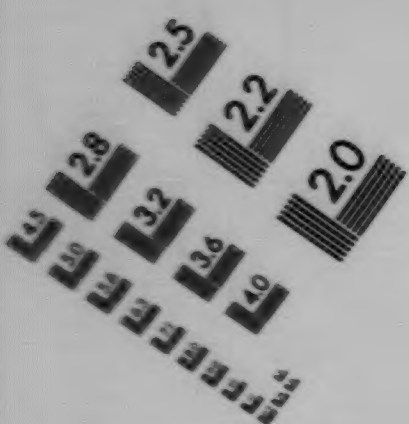


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ABSTRACT

of

HEARINGS ON UNEMPLOYMENT

Before the
California State Unemployment
Commission

—
APRIL and MAY, 1932
—

EDWARD J. HANNA, *Chairman*
RHEBA CRAWFORD SPLIVALO
HARRY J. BAUER
O. K. CUSHING
WILL J. FRENCH
Commissioners

LOUIS BLOCH, Ph.D.
*Secretary and
Director of Surveys*



STATE BUILDING, SAN FRANCISCO
August, 1932

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Before the
California State Unemployment
Commission

APRIL and MAY, 1932

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Commissioners



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LETTER OF TRANSMITTAL

STATE UNEMPLOYMENT COMMISSION,
State Building, San Francisco,
August 2, 1932.

To His Excellency, JAMES ROLPH, JR.,
Governor of California, and

To the Members of the Senate and Assembly
of the California Legislature, Fiftieth Session.

In compliance with the law creating the State Unemployment Commission (Chapter 61, Statutes of 1931), we submit herewith an Abstract of the Hearings on Unemployment, recently held in the cities of Los Angeles, San Diego, San Francisco, Oakland, Fresno and Sacramento. This abstract contains a summary of the facts revealed at these hearings and of the suggestions and recommendations made by the many citizens who testified.

Respectfully submitted.

EDWARD J. HANNA, *Chairman*,
RHEBA CRAWFORD SPLIVALO,
HARRY J. BAUER,
O. K. CUSHING,
WILL J. FRENCH
Commissioners.

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LIST OF PERSONS AND ORGANIZATIONS PRESENTING TESTIMONY

A. Persons

F. B. Andrews, Attorney, San Diego.
 Charles A. Anger, representing Community Chest of Fresno city.
 Mrs. Helen Artieda, representing Charles W. Fisher, Public Welfare League, Oakland.
 Professor R. F. Aspinall, Continuation High School, Fresno.
 John C. Austin, Chairman Southern California Division, President's Organization for Unemployment Relief.
 John L. Bacon, Chairman, San Diego Branch, President's Unemployment Stabilization Organization.
 George T. Baker, representing San Francisco Citizens Relief Association.
 Harold W. B. Baker, Superintendent, Junior Employment Bureau, San Diego Schools.
 Charles Bakst, Secretary, Trade Union Unity League of California, San Francisco.
 William P. Bell, Personnel Manager, California and Hawaiian Sugar Refining Corporation, Crockett.
 George H. Benioff, fur business, San Francisco.
 A. Biederman, delegate machinist, San Francisco.
 C. A. Billig, Manager, Municipal Service Bureau for Homeless Men, Department of Social Service for the city of Los Angeles, representing Committee of Community Chest, Los Angeles.
 Donald Bingham, baker, representing the Unemployed Council, Sacramento.
 S. R. Black, Chairman, California Labor Camps Committee.
 Martin F. Blank, printer, San Francisco.
 William Bloch, former ranchman, San Diego.
 Professor Theodore H. Boggs, Stanford University.
 S. M. Bond, representing Family Welfare Association and the Community Chest, Los Angeles.
 Herman Boren, milling machine operator, San Francisco.
 Archie Brown, carpenter's helper and agricultural worker, representing Youth Committee, Unemployed Council, San Francisco.
 J. W. Buzzell, Secretary, Los Angeles Central Labor Council.
 Gerald H. Catania, lawyer, representing West Fresno Unemployment Committee.
 W. L. Chaddock, President-Manager, Chaddock & Co., Raisin Packers, Fresno.
 Arthur W. Christie, California Walnut Growers' Association.
 Arthur G. Coons, Professor of Economics, Occidental College, Los Angeles.
 Miss Eleanor Copenhaver, Industrial Secretary for the National Board, Young Women's Christian Association.
 Mrs. Aileen M. Cory, Employment Secretary, Young Women's Christian Association, San Diego.

Ira B. Cross, Professor of Economics, University of California.
 Mike Daniels, restaurant worker, representing Communist Party, Oakland.
 Claude Deal, police officer, Sacramento.
 J. S. Dean, City Manager of Sacramento.
 Milen Dempster, representing Socialist Party of San Francisco.
 E. H. Dowell, Secretary, San Diego County Federated Trades and Labor Council.
 Rev. James G. Dowling, Catholic Welfare Society, Fresno.
 James H. Doyle, Chairman, Unemployment Committee, Iron Moulders Union, Oakland.
 George H. Dunlop, retired business man, Los Angeles.
 Mrs. George Eccles, Secretary, Mayor's Unemployment Committee of Oakland.
 Benjamin Ellisberg, representative of the Ornamental Plasterers' Union of San Francisco.
 W. H. Falconbury, Citizens Employment Council, Stockton.
 J. Feingold, auto mechanic, Secretary of City Committee, Unemployed Council, San Francisco.
 Tom Fleming, Organizer National Printers' Union, San Francisco.
 Felix Flugel, Associate Professor of Economics, University of California.
 Paul F. Fratessa, attorney, San Francisco.
 Louis Freck, carpenter, representing unorganized workers, Fresno.
 Harvey C. Fremming, Director, Employment Stabilization Bureau, Los Angeles County.
 W. P. Fuller, Jr., representing the Community Chest, San Francisco.
 A. R. Gifford, President, Los Angeles District Council of Carpenters.
 William Glass, Commissioner of Finance of Fresno County.
 Mrs. Bertha Gleason, cannery worker, San Diego.
 William Goldberg, student, University of California, Los Angeles, representing the Socialist Party.
 Harry A. Goldman, attorney, Los Angeles.
 W. P. Graham, Secretary, Culinary Workers' Union, Local 62, Fresno, representing Fresno Labor Council.
 Henry Gray, Economist, Los Angeles, Prosperity League of California.
 B. R. Greig, newspaper man, San Diego.
 E. T. Grether, Associate Professor of Economics, University of California.
 C. F. Grow, General Representative, International Association of Machinists in the western part of the United States.
 Jack Gullo, unemployed stone mason, Sacramento.
 Captain A. Hall, Salvation Army, Fresno.
 Miss Eva Hance, Los Angeles Council of Social Agencies, presenting report for the Social Agencies of Santa Barbara County.
 Edward Harris, Machinists' Union 68, San Francisco.
 Miss Winifred M. Hausam, Executive Director, Bureau of Vocational Service in Los Angeles and the Pasadena Vocational Bureau.
 John Hauss, former cook and dietitian, San Diego.
 Samuel C. Haver, Jr., Manager, Personnel Department, Southern California Edison Company.

Mrs. Hazel Hayes, farm worker, representing the Unemployed Council, Sacramento.
 Ernest Held, former cabinet worker, Oakland.
 Armour R. Henderson, Los Angeles, member of Benjamin J. Bowie Post of the American Legion.
 Jacob Herzog, farm laborer, Merced.
 A. W. Hoch, President, California State Federation of Labor, Los Angeles.
 William Hoffman, assemblyman, Oakland.
 F. W. Holmes, migratory worker, Sacramento.
 Glenn E. Hoover, Associate Professor of Economics and Sociology, Mills College.
 Albert Hougardy, carpenter, Secretary Unemployed Council, San Francisco.
 Miss M. Howard, stenographer, Los Angeles.
 Miss Margaret Hughes, County Welfare Department, Sacramento County.
 R. D. Hunt, Director, Department of Economics, University of Southern California.
 Jack Irwin, telephone switchboard operator, Youth Section of the Unemployed Council, Oakland.
 W. B. Jenkins, Manager, Sacramento Community Chest.
 Charles Freeman Johnson, publisher of the News Bulletin, Los Angeles.
 Theodore Johnson, representing Secretary of the San Francisco Labor Council.
 Mrs. Minnie Jones, cannery worker, representing Unemployed Council, Sacramento.
 Mary Judge, Registrar, Department of Social Service, Sacramento County.
 Theodore John Kreps, Associate Professor of Statistics, Graduate School of Business, Stanford University.
 Graham A. Laing, Professor of Economics, California Institute of Technology.
 S. A. Ledbetter, Director, Public Welfare, County of Fresno.
 S. K. Leman, baker, San Francisco.
 Z. S. Leymel, Mayor of Fresno.
 Irving Lipsitch, Executive Director, Federation of Jewish Welfare Organizations; Chairman Executive Committee Council of Social Agencies of Los Angeles.
 George Henry Little, Chaplain at Newton Home, San Diego.
 I. K. Loomis, real estate man, Los Angeles.
 J. Lubin, Personnel Manager, Red River Lumber Company, Westwood.
 Frank C. MacDonald, President State Building Trades Council of California.
 D. C. MacWatters, Secretary, Los Angeles Community Welfare Association.
 L. B. Mallory, Deputy in Charge Division of Labor Statistics and Law Enforcement California Department of Industrial Relations; member President's Emergency Unemployment Council.
 George B. Mangold, Professor of Sociology, University of Southern California.
 Bill Marquard, mechanic, Organizer Unemployed Council, Oakland.

J. L. R. Marsh, Secretary, Federated Trades Council, Sacramento.
 Walter G. Mathewson, State Director, United States Employment Service.
 H. D. Maynard, member Social Service Board, City of Alameda.
 E. L. McGaha, Fresno, Chairman of the Railroad Employees' Pension Organization.
 George F. Mitchell, locksmith, representing Unemployed Council, Sacramento.
 R. M. Moorehead, Fresno.
 George Morris, member of Communist Party, San Francisco.
 Frank E. Mortenson, Secretary, Southern California Retail Druggists Association and Alliance of Retail Trades Association.
 Lynn D. Mowat, Campaign Director, Los Angeles and Oakland Community Chest.
 Jacob Mueller of the Golden Rule Market, Los Angeles.
 J. H. Nishwitz, laborer, "representing group of unemployed of San Bernardino."
 Mrs. Martha C. Novak, dressmaker, representing San Diego Unemployed Council.
 Rev. Thomas J. O'Dwyer, Director, Catholic Welfare Bureau, Los Angeles, representing also the Council of Social Agencies.
 Captain Ogden, former sea captain and pilot, Los Angeles.
 Mrs. Mildred Olsen, housewife, member of Unemployed Council, San Francisco.
 Max Olson, representing Youth Committee of the Unemployed Council, San Francisco.
 Carl Patterson, tractor mechanic, representing Unemployed Council, Fresno.
 Jerome B. Pendleton, Executive Secretary, San Diego County Welfare Commission.
 Wesley C. Peoples, newspaper man, San Francisco.
 Hubert Phillips, Professor of Social Science, Fresno State Teachers' College.
 E. Polas, restaurant worker, representing Unemployed Council, Sacramento.
 Anthony Pratt, Secretary-Manager, Municipal League of Los Angeles.
 A. C. Price, Assistant Superintendent, County Charities, Los Angeles.
 J. H. Quinn, President, Building Trades Council of Alameda County.
 J. H. Rainwater, Manager, Community Chest, San Diego.
 M. Raport, agricultural worker, San Francisco.
 J. P. Rettenmayer, President of the Samarkand Company, San Francisco.
 James A. Robinson, retired, Los Angeles.
 C. H. Rohrer, Bakersfield Building Trades Council, representing Kern County Labor Council.
 H. L. Sacks, attorney, Los Angeles.
 Paul Scharrenberg, Secretary, California State Federation of Labor.
 Joseph L. Scott, President, Community Chest, Los Angeles.
 William Session, Los Angeles, representing the Unemployed Councils of California.
 Frank Sewitz, metal worker, representing Unemployed Council, San Francisco.

Mrs. Emma Shencup, social worker, Jewish Community Chest Agency, Los Angeles.
 F. F. Showers, dairyman, Madera.
 Seward C. Simons, Executive Director, Pasadena Community Chest and Council of Social Agencies; Secretary Unemployment Commission, Pasadena.
 George W. Slocum, retired, Los Angeles.
 P. Somers, unemployed bookkeeper and accountant, San Francisco.
 William Spooner, Secretary, Central Labor Council of Alameda County.
 Mrs. Beulah Spunn, Executive Secretary, Alameda City Social Service Board.
 A. R. Stephens, laborer and salesman, representing Unemployment Council of Oakland.
 Mrs. E. C. Stewart, Chairman, American Red Cross, Stockton, in charge of Division of Relief, Citizens Employment Council.
 Max Stoker, representing Bay Section of California Vocational Federation, San Francisco.
 F. L. Strong, Registrar, County Welfare Department, San Joaquin.
 C. J. Struble, chairman for the Mayor's Unemployment Committee of Oakland.
 Orval Swayne, member Marine Workers' Industrial Union and Unemployed Council, representing workers on the waterfront, San Francisco.
 Rolland A. Vandegrift, State Director of Finance.
 J. L. Vincenz, Commissioner of Public Works, Fresno.
 Francis von Haeseler, printer, representing San Diego Unemployed Council.
 F. O. Wallschlaeger, Assistant Secretary, California Fruit Growers Exchange, Los Angeles.
 Gordon S. Watkins, Professor of Economics, University of California, Los Angeles Division.
 Samuel S. White, Editor and Manager, Kern County Union Labor Journal, representing Kern County Labor Council.
 E. W. Williams, Secretary of the Oakland Community Chest.
 Martin Wilson, harvest hand, representing Unemployed Council, Sacramento.
 Martin Wise, unemployed machinist, San Francisco.
 C. M. Wollenberg, Director, Unemployment Relief, San Francisco.
 Daisy Lee Worcester, Principal, Worcester School, San Diego.

LIST OF PERSONS AND ORGANIZATIONS PRESENTING TESTIMONY

B. Organizations Represented

Alliance of Retail Trades Association, Los Angeles.
 Bay Section of California Vocational Federation, San Francisco.
 Bureau of Vocational Service in Los Angeles.
 Building Trades Council of Alameda County.
 Building Trades Council, Bakersfield.
 Building Trades Council, San Diego.
 California and Hawaiian Sugar Refining Corporation, Crockett.
 California Fruit Growers Exchange, Los Angeles.
 California Labor Camps Committee.
 California State Chamber of Commerce, Employment Stabilization Committee.
 California Walnut Growers' Association.
 Catholic Welfare Bureau, Los Angeles.
 Catholic Welfare Society, Fresno.
 Central Labor Council of Alameda County.
 Central Labor Council, Los Angeles.
 Chaddock & Company, Raisin Packers, Fresno.
 Chamber of Commerce, Los Angeles.
 Citizens Employment Council, Stockton.
 Citizens Relief Association, San Francisco.
 Communist Party of California.
 Community Chest of Fresno City.
 Community Chest, Los Angeles.
 Community Chest, Oakland.
 Community Chest, Pasadena.
 Community Chest, Sacramento.
 Community Chest, San Diego.
 Community Chest, San Francisco.
 Community Welfare Association, Los Angeles.
 Council of Social Agencies of Los Angeles.
 Council of Social Agencies, Pasadena.
 County Welfare Department, Fresno.
 County Welfare Department, Los Angeles.
 County Welfare Department, Sacramento.
 County Welfare Department, San Diego.
 County Welfare Department, San Joaquin.
 Culinary Workers' Union, Local 62, Fresno.
 District Council of Carpenters, Los Angeles.
 Employment Stabilization Bureau, Los Angeles County.
 Family Welfare Association, Los Angeles.
 Family Relief Society of San Francisco.
 Federated Trades and Labor Council, San Diego County.
 Federated Trades Council, Sacramento.
 Federation of Jewish Welfare Organizations, Los Angeles.
 Labor Council, Fresno.
 Labor Council, Kern County.

Labor Council, San Francisco.
 League for Independent Political Action, San Diego.
 Marine Workers' Industrial Union and Unemployed Council, San Francisco.
 Municipal Service Bureau for Homeless Men, Los Angeles.
 Municipal League of Los Angeles.
 National Painters' Union, San Francisco.
 Ornamental Plasterers' Union of San Francisco.
 Pasadena Vocational Bureau.
 President's Unemployment Stabilization Organization, San Diego Branch.
 President's Organization for Unemployment Relief, Southern California Division.
 Prosperity League of California.
 Public Welfare League, Oakland.
 Red River Lumber Company, Westwood.
 Retail Druggists Association, Los Angeles.
 Samarkand Company, San Francisco.
 Social Agencies of Santa Barbara County.
 Social Service Board, Alameda City.
 Socialist Party of California.
 Southern California Edison Company.
 State Building Trades Council of California.
 State Federation of Labor of California.
 Tri-Counties Reforestation Committee of California.
 Trade Union Unity League of California.
 Unemployed Councils of California.
 Unemployment Committee, Iron Moulders' Union, Oakland.
 Unemployment Committee, West Fresno.
 Unemployment Committee of Oakland.
 Youth Committee of the Unemployed Council.
 Young Women's Christian Association, San Francisco.

INTRODUCTION

This Abstract of Hearings on Unemployment is issued by the State Unemployment Commission in advance of the full report which will contain its findings and recommendations.

Section 2 of the law creating the commission (Chapter 61, Statutes of 1931) provides that:

The commission is authorized and directed to make surveys, studies and investigations of all problems relating to unemployment, with a view to formulating such plans and recommending such legislation as will enable the state to take the proper steps toward the solution of any such problem.

Section 4 of the act, relating to public hearings, provides further that:

From time to time the commission shall hold public meetings throughout the state, at which meeting the people shall have an opportunity to present their views to the commission. A record shall be kept of all such meetings, and reports shall be published setting forth in detail the results of any such meetings.

Pursuant to these provisions, the commission held public hearings during the months of April and May, 1932, in accordance with the following schedule:

<i>Cities</i>	<i>Dates</i>
Los Angeles	Thursday, April 14th, and Friday, April 15th
San Diego	Saturday, April 16th
San Francisco	Wednesday, April 27th, and Thursday, April 28th
Oakland	Friday, April 29th
Fresno	Monday, May 9th
Sacramento	Thursday, May 12th

Invitation to attend the hearings, or to send representatives, were extended to all business and commercial organizations throughout the State, as well as to labor organizations, and to individuals whose positions or activities would enable them to give information regarding existing conditions and present constructive recommendations for dealing with the unemployment situation.

Invitations were also sent to the members of the Legislature, State and county officials, and to representatives of the public and private relief agencies. Notice of the hearings was also given wide publicity in the press.

Those invited to attend the hearings were advised that, in addition to presenting their views orally, or in lieu thereof, they might present memoranda, letters, or papers, embodying their views on the subject of dealing with unemployment emergencies through legislative action, or through other organized effort by employers, employees, and the public.

The transcript of the stenographic report of the testimony of the hearings contains about 370,000 words. Approximately 1000 persons attended the hearings, and nearly 200 expressed their views orally, or submitted written statements and recommendations.

AGENDA FOR THE HEARINGS ON UNEMPLOYMENT

In order to facilitate the proceedings at the hearings, the following agenda was submitted by the commission as a basis for discussion:

I. STABILIZATION OF EMPLOYMENT.

- A. What action, if any, should be taken to promote among employers of labor the practice of regularization of employment in order to do away, as much as possible, with so-called seasonal and other unemployment?

II. EMERGENCY UNEMPLOYMENT RELIEF.

- A. Should the State make appropriations for emergency unemployment relief?
- B. Should there be any maximum limitation to the amount of State aid granted to any given municipality, and if so, what?
- C. If the State should grant aid for public relief, what standards, if any, in the distribution of such aid should it require of municipalities?
- D. What are the best methods of furnishing unemployment relief in the respective communities in our State?

III. TECHNOLOGICAL UNEMPLOYMENT, OCCUPATIONAL CHANGES, AND AGE LIMITS IN INDUSTRY.

- A. What should be done with respect to the disappearance of skilled occupations and to unemployment caused by labor-saving machinery, changes in the consumption habits of the public, and business mergers and consolidations?
- B. How and to what extent can the State public employment agencies be strengthened to enable them to direct workers displaced by machinery to new or different occupations and industries?
- C. To what extent can vocational re-education effectively meet the problem of the displacement of trade skill?
- D. What are the facts regarding arbitrary age limits in industry, and what can be done to aid those affected?

IV. RESTRICTION OF HOURS OF LABOR.

- A. Should the hours of labor of adults and of minors be restricted with a view to bringing about greater employment opportunities?
 1. If so, what should be the maximum hours of work per day and per week?
- B. Should the policy of restricting the number of hours per day and the number of days per week apply only during periods of business depression, or should it be made a permanent policy?

V. PUBLIC WORKS.

- A. Should legislation be enacted providing for the advance planning of public works and for the setting up of reserve funds for such public works to be used only in periods of business depression?
 1. If so, should there be central planning boards to make such advance planning more effective?

VI. UNEMPLOYMENT RESERVES AND COMPENSATION.

- A. Should a system of compulsory unemployment compensation be adopted?
 1. If so, should such a system be maintained by contributions from employers only, or also by contributions from employees, or the employees and the State?
 2. Should a system of unemployment compensation be devised to act as a financial inducement to industry to bring about regularization of employment?
- B. If you do not favor the adoption of compulsory unemployment compensation, what alternative proposal, if any, do you have?

VII. EMPLOYMENT OFFICES.

- A. What provision, if any, should be made to enlarge the usefulness of the present system of State free employment offices?

VIII. OTHER SUGGESTIONS AND PROPOSALS.

- A. What other suggestions and proposals have you for meeting the present unemployment emergency or for combatting possible similar emergencies in the future?

PART I

UNEMPLOYMENT SITUATION AND REMEDIES PROPOSED

A. Unemployment Relief Situation in the State.

B. Recommendations for Unemployment Relief and Prevention.

PART I

A. UNEMPLOYMENT RELIEF SITUATION IN THE STATE

Officials from the public and private relief agencies in different sections of the State explained the situation in their respective communities—the extent of unemployment, existing needs, assistance given, current expenses, and the estimates for the ensuing year.

There were present officers of county and city welfare departments and representatives from such private welfare organizations as the Community Chest, the Council of Social Agencies, the Family Welfare Association, Federated Jewish Charities, Catholic Social Agencies, and the Salvation Army. The following counties were represented: Los Angeles, Santa Barbara, San Diego, San Francisco, Alameda, Fresno, Kern, San Joaquin and Sacramento.

Among the problems discussed were: methods of relief; the functions of the State labor camps; the care of transients, single men and migratory families; responsibility between the State and municipalities in these matters; provision for the white-collar unemployed and for unattached women; the matter of rents and evictions; adequacy of assistance given; and the effectiveness of work relief in an emergency program.

The discussion on these points with excerpts from the statements of a number of the speakers is summarized below.

1. Extent of Unemployment—Expenses and Estimates.

The extent of emergency relief in the several counties is indicated by the following figures taken from testimony of public officials and officers of the public and private charitable organizations represented at the hearings.

Los Angeles County.

In Los Angeles, according to statements by Lynn D. Mowat, Campaign Director of the Los Angeles and Oakland Community Chests, and D. C. MacWatters, Secretary and General Manager of the Los Angeles Community Welfare Federation, the county is caring for 34,000 families,¹ an increase of 100 per cent since last year. Yet it is expending only \$3,200,000 for relief this year as compared with more than \$5,000,000 in 1930-31. This is because the county funds and those of the Community Chest are practically exhausted.

The unemployment situation, Mr. MacWatters stated, has placed an enormous burden upon the public and private agencies which are trying to meet the emergency by furnishing relief in a temporary way. Speaking of the need for funds, he said that the Community Chest during the last campaign raised its regular operating budgets for all agencies, and in addition \$600,000 for emergency relief in order to furnish assistance to tide people over until they could secure employ-

¹ The figures given here are those showing the situation at the time of the hearing, April, 1932. This applies to all of the figures presented in the Abstract.

ment and become self-supporting; but now its funds are practically exhausted:

* * * The burden has increased so rapidly that that fund of the Chest, for instance, will be completely exhausted by May 1, or not later than May 15. * * * The county funds are likewise exhausted. In fact, even with this very increased load, say 34,000 families being handled by Los Angeles County today on a budget for the Welfare Department of a million and a half less than was actually expended in 1931, you can imagine the job the county has on hand.

The problem of unemployment relief is too large for the Community Chest alone, was the statement made by Mr. Mowat:

* * * In addition to the \$5,000,000 spent by the city [in work relief], the county spent over \$5,000,000 in direct relief in 1930-31, during which time the case load practically doubled. The present year the county is spending \$3,200,000. The city is spending practically nothing, a few dollars going to the unemployed women. How we got through this winter can only be answered in one way. The county cut [its appropriation] in half, reduced that 10 per cent; and a further cut of one-third is going to go into effect in order that the necessities of the 35,000 [families] that are depending on the County Welfare Department, for at least a portion of their subsistence, may be given. * * *

In Alameda County, where we finished a campaign, the county is spending 40 per cent more money than last year. Down here they are spending 40 per cent less money than last year. What is the difference? The load has doubled in both communities. I think it is a matter of size. The problems are so far from the people in as large a community as this. I do not like to condemn anyone, certainly not the Board of Supervisors or the City Council of Los Angeles. I believe they are doing the best they can; but on one side they are faced with the need and on the other side they are faced with the continual hammering of those who are after reduction of taxes. But I believe if I could get into one room the representatives of the tax association, the real estate board, the social agencies, the City Council, and the Board of Supervisors of Los Angeles, that they would say, "First, first above everything we spend public money for, must come the people who need food and shelter today."

Reverend Thomas J. O'Dwyer, Director of the Catholic Welfare Bureau, Los Angeles, stated that the private agencies are unable to reach all of the families that need assistance; and even in the case of those for whom they have assumed responsibility, the assistance granted is inadequate:

* * * We have to admit that the budgets that we have allocated to our families during the last year are entirely inadequate. We have endeavored to give relief as far as possible, but our budgets were not adequate. The same can be said by the Los Angeles Welfare Department. * * * Not only are we not reaching all the families that need relief, but we are not giving adequate relief to those families for whom we have assumed responsibility; and you can understand the effect of inadequate relief in a home, particularly where there are children.

We are greatly concerned about the situation. We try to be optimistic; but I believe that while we can be optimistic, we should also face the facts. Here our civic leaders are much concerned about securing funds for the remainder of the year. * * *

We have a serious problem in caring for the resident single men as well as for the families. We are more concerned, of course, with the children in the families; but our funds have been inadequate for caring for these single unemployed resident men.

That a large part of the relief cases carried are due to unemployment, and that the situation has become extremely serious, were statements made by A. C. Price, Assistant Superintendent of County Charities, Los Angeles:

Our case load this morning [April 15, 1932] is 35,531. That is not the number of individuals, however. If you want the number of individuals, multiply that by

3½ and you will have the approximate total number of individuals receiving county or public aid. Of that number of cases, we figure that 65 per cent represent problems of unemployment. * * *

Our average cost for the last three months, considering the fact that all of the unemployment cases where there are able-bodied men are on a 50 per cent budget, which is one-half of their minimum needs, figures \$16 per case per month. Now if you apply that unit cost to 16,000 cases that are now purely unemployment cases, that represents an average monthly expenditure for relief, on a 50 per cent basis, of \$256,000. That is what we are expending today for relief, due purely to the unemployment situation.

* * * We feel that the situation in the county here, so far as public relief is concerned, has reached a most serious point. * * * We are today facing the problem of having to reduce our present budget—I mean relief per case—by one-third. When you take a case that is now on a 50 per cent budget basis, and then reduce it further by one-third, you can see how serious the situation is becoming, when it comes to public relief so far as our county is concerned. And we are faced with that very thing this morning because of the inability of our people to meet the burden placed upon them, primarily because of unemployment conditions.

Question by Commissioner Splivalo

Q. What is your budget, Mr. Price?

A. \$3,256,700 for relief only.

Questions by Commissioner Cushing

Q. You speak of 35,531 cases—families, I take it?

A. Yes, most of them, some represent single men and women.

Commissioner French: Does that mean that those 35,531 families are now all at this time receiving aid?

A. That is correct. As I said, if you multiply that by 3½, you will have the approximate number of individuals receiving some public relief.

Q. You say unemployment was the main factor in the cause of this?

A. Yes, 65 per cent of the cases now receiving aid are cases due to the unemployment situation.

Q. Can you give us any figures on the single men who are on your list, or are your figures confined to cases?

A. They are confined to cases, families. I could not give you the figure you want offhand—I should say between 5000 and 6000.

According to Irving Lipsitch, Executive Director of the Federation of Jewish Welfare Organizations and Chairman of the Executive Committee of the Council of Social Agencies of Los Angeles, the case load of the twelve major relief organizations maintained by the Community Chest advanced from 5133 families in December, 1930, to 13,232 families in December, 1931:

The amount of money needed, or rather actually disbursed, for relief alone, and not administration or service or anything except the actual purchase of food, shelter and other necessities of life, amounted to \$23,382.71 in December, 1930, and \$76,779.66 in the corresponding month of 1931.

I think it is not necessary to comment further upon the rising need for relief in this community at least, except to say that all of the agencies and all of their professional workers, and I believe almost without exception the executive members of their governing boards would, if asked for a free and frank expression of opinion, say that in December, 1931, at least, they were unable to meet adequately the needs of those whom they served. That they attempted to do so, and did the best they could with the limited finances at hand is true; but the professional workers and also the members of their governing boards feel very much grieved and ashamed of the quality of work that they are compelled to do under existing circumstances.

S. M. Bond, representing the Family Welfare Association and the Community Chest of Los Angeles, explained some of the problems confronting the private agencies:

* * * I would like to give you some concrete information as to what the actual conditions are in the city due to the unemployment situation. The Family Welfare Association is today taking care of 1450 families. Not all of them are receiving full material relief. Fully 700 of the families are receiving all of their supplies through that agency. Using the figure of 3½, that would indicate 2500 people. Now that is an increase of about 10 per cent over the number of people that were cared for in the month of February; and April indicates that it will be as heavy, if not heavier than the month of March. The reason for that is very clear, because these families will be obliged to be wards of the relief agencies until such time as they can find employment.

* * * The relief agencies of the Community Chest established in October a food conservation depot, recognizing that out in the country there was a surplus quantity of food, vegetables and fruit. Like every other industry, it has been over-producing, and therefore, to make the funds of the Community Chest extend and \$1 do the work of \$2, we established a warehouse where the surplus food could be brought in and distributed to the families who are in need. I am speaking of that for the reason that that warehouse is practically supplied to the extent of about 70 per cent through the donations of food; but about 30 per cent of it must be purchased, and the relief agencies of the Chest have been furnishing the money to take care of that 30 per cent.

Now, when these relief funds are all used up, which will be before the close of next month, I do not know how those relief agencies can help support this warehouse, which is doing such a wonderful service to the people in need.

Mrs. Emma Shencup, Social Worker for the Jewish Community Chest Agency, Los Angeles, referring to the rising tide of relief due to unemployment, said that three years ago (March, 1929) her organization had 132 families receiving food and shelter. In March of the present year this had advanced to 490 families. She estimated that in addition to the 35,000 families carried by the public agencies, 10,000 are being carried by the private agencies, representing in all some 200,000 individuals.

The situation in Pasadena¹ was explained by Seward C. Simons, Executive Director of the Pasadena Community Chest and Council of Social Agencies, and Secretary of the Unemployment Commission. The county aid to the city, he said, which was formerly \$21,000 or \$22,000 a month, has been cut to \$12,000 to \$16,000 a month; and this is to be further reduced. He did not know how they could meet the situation:

* * * If in our community at least, the county [supervisors] were able to continue the monthly allowance which they made last year and which they apparently are not able to do any longer, and if we could maintain the other types of relief from private sources, and work relief through public channels, then I feel we could, after a fashion, meet the demands of the unemployment situation and other relief necessary in Pasadena. But whereas the county a year ago was paying about \$21,000 or \$22,000 through the Pasadena branch, they have been lately paying from \$12,000 to \$16,000 a month; and we are now informed that they are going to greatly reduce that figure. If they could pay \$21,000, I believe the emergency could be met after this inadequate fashion I have referred to.

Santa Barbara County.

According to a statement from the Social Agencies² of Santa Barbara County, presented by Miss Eva Hance, there are 2800 regis-

¹The following figures were received from Mr. Simons subsequent to the hearing: Number of families aided in Pasadena in April, 1932, 1477, as compared with 360 families in April, 1929.

²See Exhibit 4 in Part II B.

tered unemployed in the active file of the employment office in Santa Barbara. At the present time 567 resident families are dependent upon the county, about half of whom are dependent because of unemployment. The expenditures of the County Welfare Department this year have increased 150 per cent over the fiscal year 1929-1930.

San Diego County.

In San Diego County, according to Jerome B. Pendleton, Executive Secretary of the San Diego County Welfare Commission, they have reached the limit of their ability. There are around 16,000 unemployed. The county is aiding over 4000 families, representing approximately 16,000 persons, the majority of whom are in San Diego city. The major part of the aid that is given is due to unemployment. In December, the County Welfare Commission exhausted its funds and since that time has depended upon advances made from month to month by the Board of Supervisors:

Seventy per cent of the aid that San Diego County is giving out today is given to the unemployed. In other words, it is not given to paupers. It is given to men and women who come up and ask me for work. They do not come and ask for aid. They say, "Give me a job." If I could send these men and women to a position, approximately 70 per cent of the aid that San Diego County is today giving, is forced to give, would be immediately relieved, and the taxpayers of this county would get back to the normal way of just helping the indigent and pauper portion of the county.

Approximately December 1, 1931, San Diego County Welfare Commission exhausted its funds according to the budget that was allowed us. We had to go to the Board of Supervisors and tell them that we could not write another grocery order. At that time we were given a small increase, and from month to month have been given increases of our appropriation. Finally, the Board of Supervisors, finding themselves without any funds whatsoever, had to appeal to the Superior Court to declare the present situation an emergency, in order that they might break into the reserve fund of the county in order to feed the hungry unemployed men, and women and their families in San Diego County. Since that time we have been getting from the Board of Supervisors a monthly allowance. I have been expending for groceries alone better than \$1,100 a day since December 1. That has been the average. Some days it has been very much higher, and a few days it has gone enough below so as to keep the average above \$1,100 a day for groceries alone.

City and County of San Francisco.

C. M. Wollenberg, Director of Unemployment Relief in San Francisco, outlining the relief program of the city, said that during March of the present year 8600 heads of dependent families came to the Associated Charities for relief; that between 35,500 and 36,000 persons were assisted during the month. This is in addition to the assistance given to single men, mainly migratory workers. During December, 1931, and January, 1932, approximately 6000 men were served meals daily at the kitchen. This number has now dropped to 3000, mainly made up of resident men. Over \$2,000,000 was used for work relief last year. The program for the present year has already cost about \$1,750,000. The estimate for next year is over \$3,000,000. If the case load continues to grow as it has to date, the relief given next year on the present basis, he estimated, will cost around \$5,000,000:

We started in the winter of 1930 with a relief program by offering employment to the unemployed heads of families. The city used up approximately \$2,100,000 in that experiment. A bond issue of two and a half million dollars was supposed to last two winters; it did not carry over one winter. We started with

unemployed heads of families the first of November, when the \$5 a day was proposed. The funds were inadequate to carry on; so when we entered the second year, that is, the present fiscal year, we made a program of relief by furnishing food necessary to support a family; and in exchange for that food, in order that it might not be on a cold-blooded charity basis, recognizing the unemployment period brought thousands into the bread line, as it were, who otherwise would never have come there, we asked the head of the family to give us one week's work in exchange for three weeks' supplies.

That program this year has already cost about one and three-quarter million dollars. The estimate for next year is something above three million.

The family relief grew from 1600 families in July, 1931, to nearly 9000 families in March, 1932—a period of nine months * * *

As far as the relief given in San Francisco is concerned, of course, it is criticised; it is not adequate. At the same time, in comparison with 40 cities in the United States, the relief for the first quarter of this year, I want to say we are giving at least 25 per cent more than any other community in the United States. There is no other community equalling our relief food program; and as far as meeting the demands upon this community for a change in program, we are indeed going to be fortunate if we are able to keep up as we are, with the money available.

Question by Commissioner French

Q. You mentioned 9000 families as being assisted during March, 1932. Could you tell us how many men, women and children are members of the 9000 families?

A. I find, taking our monthly rolls, that the average family in San Francisco is just about 4½. Now, when I say 9000 on relief, we have four agencies working with the family group—the Associated Charities handled about 8600 families in March, that is 8600 heads of families came for relief. About 7000 remained on the list the whole month. In the Italian Board of Relief there were about 300 families; about 110 or 120 families in the Jewish Board of Relief, and a number in the Catholic Board of Relief, which is consolidated with the Associated Charities in their relief activities. In addition to that, we have the women's division—the single woman group, or the women with dependents. We have 1072 heads of families in that group, many single women, others with aged parents, and others with a child or children to support; and so I estimate in the month of March, we took care of between 35,500 to 36,000 people.

Questions by Commissioner Splivalo

Q. I know you have had quite intimate association with the Associated Charities. Do you feel they have done the best they could with the amount of money they have had?

A. I think they have done a very fine job. I do not see how they could have done more.

Q. If there has been a shortage in the amount of food, has it been due to the shortage of money, or has it just happened?

A. Do you mean in the amount of food allotted or the amount that possibly reached the families?

Q. Yes, there might be a difference there.

A. In the amount of food allocated to a family, I think where the housewife is competent, the food is ample. In hundreds of families that we have checked up through independent agencies that have no connection with any organization, we find that where the housewife knows how to prepare food, that food lasts a week, and perhaps leaves a surplus. We had to change the food allotted a few months ago, where there are children of the high school age that are heavy eaters—the allowance to a family where they have children of that age. Where the woman of the house knows nothing about cooking, is careless, where the children can come in after school and raid the larder, then there is food shortage. Of course, there is the deadly monotony of the diet list we have prepared—week after week you get the same thing. We have rice and macaroni and other things, and we have the things that the scientists say are the best for us; and those things often are the very things we do not like, and frequently we do not eat them at all; and I think that has been true in many instances. I know a family which has accumulated a package of tea every week for fifty weeks, and others have macaroni stored up. We will cure that condition soon, however, by opening a groceteria where the

family can select their own food. We are starting with a small number of families now, and we will gradually build this up until we can do that with the entire 8000 families.

Q. You spoke about the amount delivered and the amount allotted.

A. I mean this—that where you have 300 men working for their groceries, packing these boxes, occasionally a package of bacon, which can go in your hip pocket, falls out of the box. Just a few weeks ago, a small Ford drove up, and we know the man loaded a sack of potatoes and a half a dozen bundles from the boxes here and there. The number of the Ford was taken; we knew the firm the man worked for, and he was forced to reimburse us. However, a dozen families were short in their boxes that week, and we never found who they were.

Question by Commissioner Bauer

Q. Do you anticipate the number of families now being helped will continue at that high level?

A. I hope not. I hope some work is going to start. Some of our families are going into the fruit and vegetables. We know the Alaska Fleet that usually takes 5000 or 6000 men out is going to take only 2200. We are hoping, but we do not see much promise ahead; but this is what is happening * * *

In July, 1931, we started with 1600 families. We estimated that we might have 2500 by December; but we had 6000 by December, and 8000 in March. You can see that growth of family relief.

Question by Commissioner French

Q. You have described the need wave going up. What are the financial prospects, so far as you are concerned?

A. They are going down—we hope to meet San Francisco's problem this way. The employees of the city have agreed to contribute out of their pay a certain percentage each month—that varies from 3½ per cent to 12 per cent, depending on the monthly compensation of the individual. That has been generally signed up by the employees. In one department of nearly three thousand employees, I think less than twenty have failed to sign. That will give us between \$1,500,000 and \$1,600,000 to start our relief program.

We are asking the Mayor to recommend in his budget \$1,750,000—\$1,500,000 for the coming fiscal year and \$250,000 to replace that same amount advanced by the Community Chest to carry on for the next two months of this year's program.

Questions by Commissioner Cushing

Q. If you get all that money, you will still not be able to meet the situation adequately?

A. If the growth continues as it has to date, the relief, as we are giving it today, will cost \$5,000,000.

Q. And the relief, as you are giving it today, is not adequate?

A. No, I do not believe it is; and yet it is the most liberal of any community in the United States.

W. P. Fuller, Jr., Chairman of the Executive Committee of the Community Chest, San Francisco, corroborated the statements made by Mr. Wollenberg regarding the increase in unemployment relief and the amount needed for the ensuing year:

* * * The largest estimates which we, one year ago, could bring ourselves to make, in view of the then existing situation, have been exceeded several times. There is unquestionably a large time lag between the rise in the unemployment curve and the rise in the relief curve, due to the obvious reason that the average man who loses his employment is not forced to seek relief immediately. A period of time naturally elapses before his savings are exhausted and he has to seek relief. That, I think, accounts for the tremendous growth of the relief curve for the last few months. It accounts for it to a considerable degree at least, and also scares us some about the numbers on relief in the future. Consequently, we do not think the relief load will come down rapidly, even if the business curve has reached its bottom, or starts up mildly * * * We therefore feel it is difficult to

overestimate the load for the next twelve months, and particularly with reference to next winter; and we do not see the funds to meet it from the community itself.

That the cases handled by the relief agencies represent only a small proportion of those suffering from unemployment, was stated by George Morris, Communist, San Francisco, who pointed out that the chief burden falls upon the relatives and friends of the unemployed:

* * * Mr. Wollenberg this morning has contributed a great deal in connection with this picture, although it must be stated that he does not tell the whole truth. He only tells you the families that have registered, the families that the Associated Charities come in contact with, which he stated was 10,000. You can imagine what the real facts are. The fact is that the major part of the burden for keeping the unemployed alive falls upon the relatives and others who try to keep them in one form or another; because the average unemployed is trying not to go before the Associated Charities, or to the flop houses. He is trying to keep out of it the same way a person drowning tries to keep above water, knowing he is subjected to the most miserable treatment imaginable. That is why those registered in Mr. Wollenberg's figures, or what he told us, is only a sample of what is actually taking place.

Alameda County.

In connection with emergency unemployment relief, Ira B. Cross, Professor of Economics, University of California, pointed to the critical situation existing in some of the counties where the funds have been practically exhausted and there is no way of raising additional funds; where the relief given to dependent families has been drastically cut and in some instances discontinued:

* * * The situation now in this county is that dependents on the county are given 50 per cent of the so-called Jaffa allowance, couples are being given 40 per cent and individuals, 25 per cent of the Jaffa allowance. Here in Alameda County, our county supervisors have cut off relief, food relief in the way that I have mentioned. For a period of three or four days there were no food orders issued. I do not know how many families there are on that. A large number of them, I understand, are right here in Oakland. Oakland has been unable to get very much interested in the matter of unemployment and therefore has raised no funds to take care of the unemployed. That therefore means that the county has to take care of these families. In Berkeley we have raised a fund and we are campaigning today for another fund of \$30,000 to take care of the families of our unemployed.

Questions by Commissioner Splivalo

Q. You are familiar with the amount allowed by the present Jaffa budget?

A. Not exactly.

Q. I thought perhaps it might go in the Commission's record. I think it is \$8.47 a month for a woman.

E. W. Williams, Secretary of the Oakland Community Chest, explaining the extent of relief work in the county, stated they have 6700 families without employment dependent on relief. Of this number, practically one-third are without a wage earner. In the case of another third, the head of the family is ill or incapacitated, or unable to work.

With regard to the expenditures, he said that during the first nine and one-half months of the present fiscal year, about \$1,100,000 had been expended; that they are facing a shortage in funds and have had to reduce the amount of relief given to the families; that the budget for the single person, which was formerly \$10.40 a month, has been cut 25 per cent, that for couples 40 per cent, and for families 50 per cent. He stated that the relief which is now being given is not adequate because

of lack of funds; that the 6700 families receiving relief represent about 40,000 people and that this is exclusive of the homeless men:

* * * The records show in our county we have 6700 families on what we call our charity roll, idle people. It is very peculiar about those 6700 families. You might divide them in three classes. Practically one-third of them are with no family head, a male, that could earn a living for them. That is partly due to desertion, broken homes, widows and the like. Of the other two-thirds, the Associated Charities, after very severe investigation, stated that there were 2200 where there were heads of families, but they were sick or incapacitated and could not work on the road. That left about 2100 able-bodied men, who, if given employment, could work and be relieved of the charity rolls. * * *

As far as Oakland is concerned, we treat Oakland, San Leandro, Emeryville and Piedmont together. Of the 6700 families—that does not take in the single men at all and the old men—of that 6700, about 70 per cent come from this urban area.

Question by Commissioner French

Q. Could you tell us what the prospects are financially, speaking for the future, of the groups you have mentioned, the Community Chest and so on? Do you expect to have sufficient money to help?

A. Well, of course, the Community Chest here is just a little bit different from that of San Francisco. San Francisco's budget, just for the purpose of comparison, is nearly \$3,000,000. Our budget was just a little over \$600,000. Population makes the need, rather than wealth; and while here the Community Chest budget is one-fourth of San Francisco's, yet in our area we have just about half the population; but there is an answer to that, to be fair to the people. San Francisco does not supply as much as Alameda County out of their public funds, out of their county funds, and consequently if Alameda County did not supply as much as it does to charity, we would have to go out for one and a half million; but they have taken up quite a lot of slack. * * *

The Social Service Board of Alameda City, according to Mrs. Beulah Spunn, Executive Secretary, is now carrying 300 unemployed families. Since January they have been spending around \$6,000 a month, an average of \$20.89 per month per family. They have now been asked to put the families on a 50 per cent budget. In addition to the families carried by the Social Service Board, the public employment office in the City Hall is carrying between 400 and 500 families on a work relief program. Their funds are now exhausted:

We are one of four agencies that dispense the county funds of Alameda County, Berkeley, Hayward, Oakland and Alameda office. We are the smallest office in the county. We are carrying now 300 families in our own city who are unemployed. Our work in this county is organized primarily for the aged, the sick, the widow and the mother of deserted children. We were asked to come in and assist in the unemployment problem. We tried to share our funds. Our budgets were set up primarily for charity. Our staff has not been increased, but this new burden has come to us.

We are going to have to put it on a case work basis where need is shown. It is not just where a man is out of work; it is where he will have to have the sustenance of life. In January, February and March we averaged 300 families a month. We spent \$18,000 in round figures; or for the three months it would be 900 families, of \$20.89 a month average; of course, knowing that no family can really live on that. We have men now working for the county receiving \$24 a month for six days a week; and a man and wife and one or two children we are asking to live on that. Of course, that is about paying the food bill, the other bills being neglected.

From the 15th of April we were asked to go on the 50 per cent budget, which is impossible for real livelihood. We are making a campaign now for milk for the children in these families. * * * In Alameda besides the work we do, there has been the Employment Bureau in the City Hall, which is carrying, I believe, between 400 and 500 families also. They rotate the work about four days a month

to the largest families, which would be about \$16. Their funds are now exhausted and there is a committee meeting tonight to make a campaign, I understand, of about \$5,000 a month to meet this. None of the men we are assisting are receiving any funds through that. Our funds are coming entirely from the county. This winter we raised an emergency fund of \$10,000 and the city also allowed us \$8,000.

Questions by Commissioner Cushing

Q. Is the demand increasing for aid?

A. Oh, yes, very much.

Q. Increasing now?

A. Yes.

Q. What was the situation with you a year ago?

A. The same worker was carrying 150 [cases] a year ago and she is carrying 300 now.

Fresno County.

Z. S. Leymel, Mayor of Fresno, discussed the kind of emergency relief carried on in Fresno city, and the method of raising funds. He said that except for \$1400 for the care of transients, no appropriation had been made by the county or city for direct relief of unemployment. An attempt to put over a bond issue of two and one-half million dollars for a civic center which would have provided work for 500 families for two and one-half years was voted down because it would have meant an increase in taxes. He stated it was uncertain whether much provision could be made for unemployment relief in the budget for the ensuing year on account of the insistent demand for reduction in the tax rate.

The situation in Fresno County, as explained by S. A. Ledbetter, Director of Public Welfare of the county, is much worse at the present time than it was a year ago; as many persons are coming for relief now as in the middle of the winter. He anticipated that next winter will be even harder than the one just passed, although he expected that temporary relief would be afforded during August and September through the harvesting of crops. The county is helping 2000 families in the county at the present time, he stated, who are either unemployed or partially employed. This represents 5000 to 6000 individuals.

With respect to funds, Mr. Ledbetter stated that the Board of Supervisors last year gave about \$5,000 in addition to the regular relief budget. The entire county relief budget for the present year was \$276,000 plus the \$5,000 appropriated for work relief. The amount for unemployment relief is not segregated from the rest of the budget. He estimated, however, that during the year around \$130,000 was spent for relief of the unemployed:

Among our people in and around Fresno and these other towns, the situation was bad. * * * The worst situation in our county is from Herndon on the north to Kingsburg in the south and about two miles on either side of the Highway 99. That is where our trouble is now. In these places, off from the railroad and highway, like Clovis on the east and Kerman on the west, the situation is not so bad. The local Red Cross units and the Parent-Teachers Association handle the situation pretty well, with the exception of our regular cases that we have all the time. But with these cities up and down the highway and with Fresno City in particular, the situation right now is very, very bad. These people have been attracted to Fresno and these cities along the highway. They used to work here, and on account of the depression a lot of them have been thrown out of work; and they are trying to stay on and rehabilitate themselves here, and they are slow to get out and try something else. * * *

We have had heavy drain on our budget this year. There has been one thing in our favor, and that is, declining prices. It does not cost nearly so much to live right now as it did when that budget was set up, and that has reacted in our favor. We will have enough money to get through this fiscal year unless some calamity like that one they had last January comes upon us, and I hardly think that is possible.

Our local unemployment situation will take care of itself when we go to harvesting our fruit. * * * Just as quick as that peak is over with, then we have got our folks on our hands; and we have to go to extending aid. And I look for a hard winter this winter. I think it will be a harder winter than the one we had last year.

Charles A. Anger, representing the Community Chest¹ of Fresno City, said that the private agencies last year did not have funds to make adequate provision for relief work; and in some instances they were obliged to cut the grocery orders in half or make even greater reduction. The extent of the need today is many times greater than it was a year ago and is even more acute now than last winter. The Chest agencies in Fresno are caring for about 1800 families. Approximately \$60,000 of the Chest funds went into direct relief.

Referring to the relief situation, Mr. Anger questioned whether this would be much improved during the summer. He pointed out that the rate of wages paid to men on the ranches—15 to 17 cents an hour, without board, does not provide for family support:

Questions by Commissioner Cushing

Q. What is your observation with respect to the extent of the need now as compared to a year ago?

A. I think it is many times greater. I think the situation right now is more acute than even this last winter.

Q. I was not quite clear about the money raised by the Community Chest. What was the total?

A. \$119,000 was our goal last year. \$60,000 was for unemployment relief. We only raised \$100,000.

William Glass, Commissioner of Finance of Fresno County, referring to funds for unemployment relief, stated that they had appropriated \$1,400 from the City Treasury for that purpose. The city employees, he said, had contributed to this fund, giving from \$1 to \$5 per month out of their salaries.

Captain A. Hall, Salvation Army, Fresno, speaking of relief work conducted by his organization, said that in October, 1931, they assisted 113 families, representing 937 persons, at an expenditure of \$250.43. In February of the present year they assisted 3634 families, representing 14,330 persons, at an expenditure of \$1,702.91. Their funds are now exhausted and they are unable to continue this work, except as supplies are donated. Conditions today, he felt, are a great deal worse than they were a year ago and are progressively becoming worse.

Captain Hall estimated that there are from 250 to 300 families in Fresno, representing approximately 1000 persons, who have not established the legal residence necessary for public assistance. These families have come from all parts of the country, even as far as from New York. He did not know how they are able to exist at the present time; they can not pay rent, and some of them are now living in camps, some under trees near a park. He cited the case of one family to whom

¹ See Exhibit 21 in Part II B.

he had been taking bread that has nothing for shelter except a little canvas tacked around:

* * * We handled families which were not long enough in the county to receive county aid, and there were quite a number of them during the winter months, and there still are; but we have no money to carry on any longer, and we have ceased to help them, excepting when the citizens give us food to give around. We had about 200 loaves of bread the last part of last week, and about 250 loaves the first part of the week. We took these to the different families that we know of, and in one of the families they had not had bread in the house for three days; and I think it is just about as bad as it ever was, and a little worse.

As far as work is concerned, a man would be willing to work if there was work.

Questions by Commissioner Cushing

Q. How many families of that kind do you figure are here in Fresno in that need now?

A. I think between 250 and 300 families.

Q. Then between 250 and 300 families in Fresno have not lived here long enough to obtain the legal residence deemed necessary to permit them to get help from public funds?

A. Correct.

Q. That would be upwards of 1000 people?

A. Pretty close to that, yes.

Q. What help are they getting today?

A. I do not know how they are existing; only as I said, when we get food given to us, we take it to them.

Q. Is there any other organization helping them?

A. Not that I know of.

Q. Where do those people come from generally?

A. From all over the State, and all over the United States; they come from as far as New York.

Q. Where are they living?

A. Right here in Fresno.

Q. In houses?

A. Yes, sir.

Q. They can not pay their rent, can they?

A. No, they have not been able to. Some of them have moved into camps; several families I have known of have gone into the country under the trees, no real camp, but they are living there just the same.

Q. Men, women and children?

A. Yes, there is one in North Fresno, and another out back of the park, as near as I can gather from what a fellow told me this morning.

Q. What do they do for shelter?

A. One family that I have been going to with bread, has some canvas tacked up around, that is all.

Reverend James G. Dowling, Catholic Welfare Society, Fresno, speaking of the relief situation, stated that the burden of caring for destitute families who have not established a residence in the county has been carried largely by the Salvation Army and the Associated Catholic Charities, although the Red Cross and Jewish Welfare organizations have taken care of some. He said that they had been asked to take care of families who have lived in Fresno from 15 to 25 years, but through some technicality, could not secure assistance from the County Welfare Department.

His organization operated this year on a budget of \$8,070; during the winter months they took care of from 300 to 350 families. The demands on the Salvation Army were so great during the winter that they ran out of funds and many of the families they had been carrying were thrown on the Catholic charities. At the present time their family

load is about 500, with an average of five to a family. He estimated that for a man, his wife and three children, \$10 a week is needed. Families in the county, he said, have been asked to live on \$4 a week this past winter, representing the work relief given by the County Welfare Department, two days work a week at \$2 a day:

* * * It is understood that families that have resided in Fresno more than a year and in the State three years, are entitled to help from County Welfare [Department], and should be taken care of by that organization. Other families, that have not been here a year, or are otherwise excluded from aid by the County Welfare [Department], come for relief to the private relief agencies. The burden of the work done by these relief agencies during the past winter has fallen on the Salvation Army and the Associated Catholic Charities. The Red Cross has taken care of families where the bread winner or head of the family is a disabled war veteran; and besides that, we have the Jewish Welfare, another small organization, taking care of their destitute.

It was said that the amount of money appropriated for the care of destitute families in Fresno, if added up, would possibly be adequate to take care of the families in the past year. That is an opinion of which I would not be so certain; but what I wish to express at this time is that the private family relief agencies of Fresno have had, during the past year, to bear more than their share of the relief in this city. We have been asked to take care of cases which were not ours. These families, many of them in our files at the present time, have been in Fresno as long as 15, 20 or 25 years; and we have been asked to take care of them. We sent them to where they are entitled to help, and that is to the County Welfare [Department]; and they were told they were not entitled to help, for some technicality which neither they nor anybody else, I think, could explain.

Now I am not criticising the County Welfare [Department]. We, in all fairness, speak for the poor in Fresno and on behalf of the private relief agencies. When we are taxed more than we can take care of, then it becomes necessary to turn down certain families or to give families inadequate assistance. A family comes and asks, for instance, that we pay their rent; and we say we can not do it. We feel that many destitute families in Fresno have been treated unfairly.

It is true to say that perhaps some families have imposed on the County Welfare [Department]. There are some that are not deserving of help but that does not exclude a proper sympathy towards other families by those in authority. And I say in the County Welfare [Department] of this county that there is not the proper sympathy towards the poor.

J. L. Vincenz, Commissioner of Public Works, Fresno, explained what the city of Fresno has done in the matter of unemployment relief. He pointed out in this connection that the percentage of home owners in Fresno is much larger than that in most of the coast cities, and that when attempt is made to raise money for unemployment relief by taxes, it is placing a heavier burden on persons who in some instances are already out of employment:

It would seem from the information that the Mayor gave you that the only money the city of Fresno has put forward for unemployment relief is \$1,400. That is not quite the case; for we of the city of Fresno, the taxpayers, pay about 40 per cent of the \$276,000 which Mr. Ledbetter spoke of, which comes from the county in our county taxes. Besides that, it is from the citizens of Fresno entirely that the \$100,000 budget for the Community Chest was raised; so we have done something along that line that I do not believe was brought out.

There is another angle that differentiates the city of Fresno particularly from San Francisco and Los Angeles. The percentage of home owners that we have in Fresno is much larger than in either of the other two cities—in fact, in most of the coast cities—so when you raise unemployment relief money by an increase in taxes, you are hitting many of the people who are already out of employment. * * * If we increase their taxes to raise unemployment relief, we are back where we started from.

L. B. Mallory, Deputy in Charge, Division of Labor Statistics and Law Enforcement, California Department of Industrial Relations, and Member of the President's Emergency Unemployment Council, referring to specific cases of suffering, stated that in the winter he visited a camp on the west side where agricultural workers were living:

Along in the winter when the unemployment situation became acute, I had the privilege of going on the west side on an inspection with Professor Phillips, Professor Gaines of the high school, and some others. We went through some sixteen of the thirty-three labor camps on the west side. Now in the largest, we found some 650 or more human beings living in this camp.

Question by Commissioner Cushing

Q. When was that?

A. In January of this year. Two hundred and thirteen children were in that camp, running in ages all the way from babies in arms to six, seven or ten years. One of the speakers mentioned the fact that these families are large families, six, seven, ten or eleven in a family. We found in some of those cabins of one room, they were housing from six to seven human beings. These houses were surrounded with water and mud; and they had a few black beans and some flour mixed with water for the children's milk and that was the menu of these people in camp.

Kern County.

In describing the extent of the relief problem in Kern County, Samuel S. White, editor of the Kern County Union Labor Journal, representing the Kern County Labor Council,¹ said that conditions in sections of Kern County are deplorable. He estimated that more than 2500 families in the county are without work. For the present year, up to May 20, the county has expended through the Welfare Department (including State aid) \$101,538. Of this amount \$35,000 was appropriated for the care of outside indigents and \$50,000 for direct financial aid. A private fund amounting to \$62,295.40 was raised for local work relief. A considerable proportion of the relief funds (around \$70,000) came from contributions of city employees and from teachers in the public schools. He felt that the County Welfare Department had not more than \$50,000 available for relief by regular appropriation.

San Joaquin County.

According to F. L. Strong, Registrar, County Welfare Department of San Joaquin, the county at the present time is carrying about 800 families. During January and February of the present year they were assisting 2600 families, representing approximately 10,000 persons. This is exclusive of the number assisted by the private relief agencies. He explained that the reason for the decrease in the number of families carried by the county is due solely to the fact that the funds of the Welfare Department are exhausted and they are obliged to curtail the relief drastically. They have to limit relief for residents, mainly to those where there is no man in the family able to do any work. Most of the assistance given is in the form of food orders and clothing. The number of families needing relief is increasing and the demand is now three times what it was a year ago. During the last fiscal year to date, the County Welfare Department has expended

¹ See Exhibit 20 in Part II B.

around \$82,000 for relief. The budget for the next year represents an increase of 60 per cent:

Questions by Commissioner French

Q. If you had the same amount of money available today as earlier in the year, do you think the number of the families would be approximately the same as earlier in the year; or do you think there would be an increase in the number needing help?

A. Of course, outside of transients that we did help along there, I think it is increasing.

Q. That is, the number of families needing relief?

A. Yes, there are a lot of the people that had enough to subsist on that are now just on the very verge of being absolutely broke.

Q. Do you know how many men, women and children were represented in the earlier part of the year?

A. About 10,000 people.

Q. Do you expect an increase in your budget appropriation of July 1, or would it be about the same?

A. A 60 per cent increase. I had a meeting with the board the other day, and that is what we are figuring on, a 60 per cent increase for my department. Every other department in our county is curtailing; but there is a general consensus of opinion that we will have to have more of a budget for the next year.

W. H. Falconbury of the Citizens Employment Council, Stockton, said that in the city of Stockton they expended during the past year \$105,071.69 for relief, the major part of which went for work relief. This is practically three times the amount expended the previous year. The estimate for next year is between \$125,000 and \$150,000. Mr. Falconbury stated that from all indications, conditions next winter will be worse than they were during the one just passed:

Questions by Commissioner Cushing

Q. Have you made any estimate as to the further need for the coming winter?

A. From all indications it will be worse than this last winter. I think our organization, if it carries on just as it did last winter, would come nearer to spending \$150,000 this winter than \$100,000 as it did last winter—perhaps \$125,000.

Q. Are you helping some families now?

A. To a very small extent. I think our office will close. We do not run all the year through. Last year we closed April 4, but we will close at the end of this week this year. We are out of funds also.

Sacramento County.

Mary Judge, Registrar, Department of Social Service of Sacramento County, speaking of the extent of unemployment relief, stated that there has been a steady increase in the number of cases during the past two years and that for the first time in the history of the department, there has been an increase during the summer months. At the present time, they are caring for about 1000 families, an increase of 300 per cent over last year. From July 1, 1931, to the present time, they have given assistance to some 5000 families at a cost of around \$81,000. Their funds are now exhausted and they have had to draw upon the county reserve fund. She felt that the budget for another year should be larger:

In 1929-30, we spent \$49,311. In 1930-31, \$74,500; and this year it will average about 2762 cases—about \$81,200.

On February 1, we instituted a commissary in our department, and with 848 cases our cost was \$6,149.89. This is in contrast to the expenditure of \$7,783.39

in February, 1931, for 595 cases. Likewise in March of this year, our expenditure was \$3,895.77 for 852 cases, as against an expenditure of \$5,561.03 for 473 cases in March, 1931.

Since we instituted our commissary in February of this year, we have saved quite a bit of money, probably half of what the expenditures were in former months; and at this time we have 860 families in our city that we are caring for * * *

Questions by Commissioner Cushing

- Q. How many families do you say you are taking care of now?
 A. Somewhere around 1004 or 1005.
 Q. That is considerably more than a year ago?
 A. Oh, it is 300 per cent more * * *
 Q. Do you expect the county to make a larger appropriation for the coming year than for the last year?
 A. Yes, I do. I think they will make it very much more, and try to devise some ways and means to provide work this year, which we did not have last year.
 Q. What can you tell us about the adequacy of the help you have been able to give?
 A. Well, I think we have met the situation very well. As it was, we used to give out orders with the various merchants, and we would have a budget, say, for the different number of children; but I think it was very well handled; but when the money commenced to get so low, we devised this commissary, and we have everything very good. We buy the supplies wholesale through our purchasing agent. We do not buy the milk or eggs or things like that. Where there are small children, we generally give an order for the milk and eggs for them.

W. B. Jenkins, manager of the Sacramento Community Chest, referring to the relief work conducted by the private agencies in the county, said that the load of relief cases has increased from 200 to 300 per cent since last year. There were 747 families assisted by the Chest agencies in February of the present year at a cost of \$6,047.32, as compared with 165 families at a cost of \$2,683.28 in February of the previous year:

Questions by Commissioner French

- Q. Could you tell us your experience this year as compared with previous years?
 A. In what department?
 Q. I mean as to the number of men and women helped, and families, and allowances, etc.
 A. For September and October, 1930, last year, there was a meager amount of 818 persons helped; this year for that period there were 21,970 helped. Last November there were 27,729 helped.
 Commissioner Cushing: That means men per month, two meals per day?
 A. In January, 1932, there were 37,770 as against last year with 20,889. You see our unemployment started earlier this year. January, 1932, 37,770 against 20,889 January, 1931. February, 1932, 45,800 as against 20,301 last year. We fed 90,000 meals in the month of February—transient single men.
 Commissioner French: But that does not mean you had 40,000 odd single men, does it?
 A. No, this is the total for the month.
 Q. In other words, a man could come back and one man might get a large number of meals in a month?
 A. Yes, we had a great many men who started when we opened our kitchen, and remained practically through.

J. S. Dean, city manager of Sacramento, stated that the city does not make any appropriation for relief of unemployment. During the present emergency, however, the city out of its emergency fund has helped to take care of the cost of meals given to itinerants. The inter-

est on a special fund amounting to \$9,000 to \$10,000 annually, which usually lasts six months, was exhausted in three months this year:

* * * Through a mutual agreement of business interests and our own community interests in Sacramento, the work of unemployment relief and help in taking care of the unemployed has been turned over entirely to the Community Chest. * * *

MIGRATORY AND AGRICULTURAL WORKERS AND HOMELESS MEN

One of the most serious problems, according to officials of the relief agencies, is that created by transient and migratory workers and homeless men. In the case of families, they are largely agricultural laborers and cannery workers. It was stated that a considerable number of the unemployed transients are citizens of California, but without a settled place of abode in any county. Others have been less than three years in the State, and are not eligible for public relief under the residence law.

What assistance is given these groups comes mainly from the private charities. The practice in caring for indigent transients varies in different localities. In a few places it was reported that no distinction is made, that relief is given as far as possible to all applicants who are in need. In a number of localities, however, it appeared that migratory workers have difficulty in securing assistance. This situation, it was stated, is largely due to lack of clear division of responsibility between the State and municipalities in such matters.

A number of the speakers recommended that the problem of looking out for unemployed transients should be handled by the State, leaving the counties and towns to care for the resident unemployed. The State labor camps were usually advocated in this connection. They were also recommended by some as a means of caring for resident single men without dependents.

Shelters and kitchens are maintained in some of the larger cities to provide temporary assistance for homeless men, both resident and transient. Speakers for the Unemployed Council in a number of instances objected to the food and accommodations provided at these relief stations.

In the case of agricultural workers, there was much criticism of the wages paid. In many instances, it was reported that the wages received are insufficient to meet the cost of living and have to be supplemented by assistance from the welfare agencies.

C. A. Billig, Manager of the Municipal Service Bureau for Homeless Men, Department of Social Service for the City of Los Angeles, representing the Community Chest, stated that transients present a serious problem in that city. They are coming to the city by thousands every month, he said, from all sections of the country, looking for work. The city has as its first concern, the care of its own resident unemployed. It would like to do something, however, for these men other than to tell them to move on.

Reverend Thomas J. O'Dwyer, Director of the Catholic Welfare Bureau, Los Angeles, representing the Council of Social Agencies, said that the funds of the private agencies are not adequate to care for the single unemployed men; yet they have to try to provide for the throngs of nonresident homeless men who have come to the city looking for

work. He expressed the opinion that the care of these homeless men is a responsibility of the city rather than of the private agencies:

* * * Hundreds and thousands of these nonresident men floated into our city. We still have them with us—we are trying to handle this problem through a number of agencies, and hope to have it handled through perhaps one or two agencies, trying to prevent duplication and waste in providing for these men. We do feel that the city has a very definite responsibility in caring for the transient, nonresident, homeless men; and it really *isn't* the responsibility of the private agencies of this State, or any other State. This is a great liability; these men come to us in the hope, perhaps, of getting employment; and the citizens feel that we in charge of the relief agencies should provide for them. We feel that our first concern is with the families, and our second with the resident single men; and with what we have to do with, our funds are entirely inadequate.

The Employment Stabilization Committee of the California State Chamber of Commerce¹ urged that effort be made to secure Federal assistance to meet the problem of caring for nonresident unemployed:

* * * The present problem confronting many California communities, of providing relief to nonresidents, is an extraordinary condition, and calls for unusual emergency measures. The Federal government, and not the State government, has the first responsibility in providing such aid, in view of the large number of non-California residents involved. Primarily, the transient problem is a national question, and only secondly a California question if Federal assistance is not forthcoming. State aid, if eventually imperative because of unavailing efforts to secure Federal action, will necessarily, and quite probably under the circumstances, be along self-protective lines; aimed to discourage migration of indigents from other States to California, and reduce the load on California communities. * * *

A. C. Price, Assistant Superintendent of County Charities, Los Angeles, said that in the case of transients, the county is required to give emergency relief, pending the establishment of residence; then offer of transportation to the former place of residence is made. A large part of their relief cases, he stated, consists of Mexicans. About 6000 persons have been returned to Mexico and approximately 1100 more will soon be returned. These are all cases that were receiving county aid:

* * * The county must provide emergency care pending the establishment of residence, after which we can offer but one thing, and that is their return transportation to their place of residence. Of course, there are a number of cases where they have lost their former residence and that represents another serious problem.

Question by Commissioner Bauer

Q. What nationality do most of your cases represent?

A. Our problem here is the Mexican problem, primarily. About 11 per cent of our cases represent Mexican cases. It was as high as 27 per cent but it is about 11 per cent now.

Seward C. Simons, Executive Director of the Pasadena Community Chest and Council of Social Agencies, Secretary of the Unemployment Commission, recommended that care of transients should in every community be centralized:

* * * Every community should provide a definite place where these people can be assured of a meal and lodging. We have in Pasadena centralized that work; we have given tickets to members to hand out, assuring the person to whom the ticket is given that he will get food and lodging. I might add that the number of

¹ See Exhibit 22 in Part II B.

transient men is distinctly dropping. March was 30 per cent under February, and April will be 30 per cent under March; and I think we have as good a registration system as any place in the State of California. We have had some 10,000 in this group visit us since the first of July, and we are just completing our analysis.

It might interest you to know that of the first 3200 we analyzed, one-third were from California, or had lived here one year. That disproves to some extent the theory that the transients are entirely out-of-the-State residents. One-third of the first 3200 analyzed had a residence of one year in California.

S. R. Black,¹ Chairman of the California Labor Camps Committee, stated that the camps were established to check the influx of non-residents into the State and to take care of those already in the State where local agencies were unable to do this. About 20 per cent of the men in the camps were residents of California, he estimated. He claimed that the effect of the camps was to deter indigent unemployed workers from coming to the State.

Frank Sewitz, metal worker, representing the Unemployed Council, San Francisco, spoke of the hardships of the migratory workers in the matter of relief:

Now, the condition of the unemployed workers who are in the bread line is very miserable, and the term which the workers in the bread line give to that particular institution is the sloop line and dump. The workers are forced to stand four or five hours for that sloop, and as a result, many of them contract various kinds of sickness and have to suffer on the street, and they even collapse in the bread line, so the ambulance has to pick them up and take them to the hospital, and many of them are not seen again.

Now, further, after eating that sloop in that dump, the men are forced into lousy sloop houses at 6 o'clock, where you can find nothing but diseases and pestilence. * * *

Now, the demand of this particular section of the working class is this, that the unemployed workers be given three square meals a day; that the public buildings be opened for all unemployed workers; that clean beds, clean towels, clean sheets and pillows be put in these places; that they have their laundry done free twice a week. This will be the demand pending the legislation upon the insurance bill.

C. M. Wollenberg, Director of Unemployed Relief, San Francisco, suggested amendment to the residence law to provide for migratory workers who are residents of the State but without a settled place of abode in any county. He outlined the assistance provided by the city for single men, mainly migratory workers. With regard to the condition of the shelters provided for such men, he said that the ones where large numbers of men are accommodated are infested with vermin; that although every effort is made to keep them down, it means a constant fight. He attributed the conditions to the personal habits of some of the men and their objections to taking a bath and having their clothes steamed:

* * * The present residence law—the settlement law of this State—provides one year in the county and three years in the State, and supervisors and county attorneys have held that that law does not permit the county to spend a dollar for a nonresident. That means many of the counties of this State are just shoving the migratory laborer on, and giving him no relief, and a great deal of this is not from out of the State—it is residents in this State, without a settled place of abode. The men who work on the farms in spring and summer, the men who go into the forests and fisheries, are a necessary part of the industrial equipment of this State; and they are passed on by the counties who refuse to recognize any responsibility for them, and their "out" is this new residence law. I think it is too

¹ See Exhibit 11 in Part II B.

drastic and it enables the counties that are looking for the way to save a dollar to do it legally, and to shove their burden on the morally responsible communities.

* * * San Francisco very definitely from the beginning assumed a responsibility for the migratory worker; and I think it was the only community in the State of California that assumed a responsibility for the migratory worker who could not establish residence. We did that on the theory that if this community was to remain a metropolis of this district, it had to be the reservoir of labor. We have always looked at it that way, that the working man comes into the city in the winter and spends what he earned in the field and forest or fishery, and when the summer is bad, and he comes back with an empty pocket, we owe him something, even though he can not establish local residence; and we paid no attention to the settlement law of 1931 here * * * We designed a kitchen that would feed men quickly—we thought we might have 2000 people eating there a day; we have fed as many as 6000 single men. That kitchen furnishes two meals a day; a breakfast of mush, coffee, bread and syrup, and an evening meal of a stew, which carries meat and vegetables with it, bread again and coffee. The load in December and January was approximately 6000 men a day. That load has dropped to 3000. * * *

The interesting thing is that of the 3000 they are feeding twice a day now, less than 200 are non-residents; they are all San Francisco men. They have lived here three years or over, and they are entitled to our relief when they can not get work. I contemplated closing the kitchen the first of May or the first of June. My feeling today is that we are not going to close this year, because we do not propose to leave men hungry on our streets.

Questions by Commissioner Cushing

Q. That is an unprecedented experience, is it not?

A. That has never happened before.

Q. Someone who spoke here yesterday told about the sleeping conditions furnished by city accommodations, and said that they were "lousy." What have you to say about that?

A. I think it was true. Where large numbers of men congregate, and some are careless in their habits, they bring vermin in with them, and it is a constant fight to keep them out. I think it is the fault, to some extent, of the man. I was at the Tenth Street Mission, run by the Salvation Army, and it was lousy, but there was a constant fight to keep vermin out. We purchased machinery, and asked the men to steam their clothes; and it might surprise you to know that men frequently refuse to go to the Mission rather than take a bath. I do not know whether that is the result of human nature, or the result of carelessness in person; but it seems impossible to keep down vermin in large shelters of that kind, just as it was impossible in the army, where regulations were absolutely complete, to keep down vermin. We use every means possible to avoid them, but there is no question but they were there, and they are there today.

Q. It was also said that in some of the shelters, the heat was turned off in the night, and it was very cold in the latter part of the night and early morning.

A. I can not answer that; but I think if you will ask any physician or head of a hospital, they will tell you that where a number of people are sleeping in one room if the heat is turned off it is much healthier; and I think they did turn the heat off in the middle of the night and turn it on in the morning. We do that in hospitals regularly.

M. Raport, agricultural worker, speaking for the Agricultural Workers' Industrial Union, San Francisco, told about the wage and working conditions of laborers in the Imperial and San Joaquin valleys and the cannery workers at San Jose. He said that there are around 400,000 agricultural workers in the State, made up of Mexicans, Filipinos and Americans; that they have work in the fields three to four months during the year. He spoke of the long hours in the fields, sometimes from three in the morning until three in the afternoon; the intense heat and the lack of clean drinking water; the low wages and the serious wage cuts during the past year. He presented the

demands of the agricultural workers; that the burden of unemployment relief should be placed on the employing classes rather than on the workers through wage cuts and charity drives.

Archie Brown, carpenter's helper and agricultural worker, San Francisco, spoke of conditions among the younger unemployed and the young agricultural workers. He said he had never seen so much misery in his life as he had seen among the workers in the fields. He mentioned families of workers living in little shanties in the peach orchards around Marysville, for which they paid \$3 a week. These were without sanitary facilities of any kind. He said that the mothers with babies would get up at four or five o'clock in the morning and go out to pick peaches. He told how, in the Imperial Valley, workers built huts of weeds and were obliged to drink water out of the irrigation ditches where filth is thrown. When the work in the fields is over, the families come to the cities and small towns. He stated that when they apply for relief, they have difficulty in securing assistance from the Associated Charities;¹ also that although the older people are given some form of relief, the younger people are not given any.

Herman Boren,² unemployed milling machine operator, San Francisco, related his personal experiences with the relief agencies and the police as illustration of the problems of homeless men. He felt that the hardship of families that have to depend upon charitable assistance does not compare with that of the dependent homeless men; since these men have no place to eat or to stay and if they sit down anywhere, they are likely to be arrested for vagrancy.

Referring to the shelters, he said that they are infested with vermin, and recommended that all of them should have a delousing machine, such as was used during the war. He said that at the shelter where he stays, which is one of the best, the men hang around from three o'clock in the afternoon until six o'clock in the evening in order to get in for the night. Unless they are there by six o'clock they are locked out. They have to be out again by five the next morning; then they hang around until seven for mush, standing in line two or three hours for 3½ cents' worth of food.

"The way that homeless unemployed men have to live is worse than the way animals and insects live," he said. He felt that the shelters might be all right for a few days but that men ought not to have to live in this way for months at a time with no assurance that they will ever have any other care.

He recommended that vacant apartments should be commandeered and turned over for the use of the unemployed.

Ira B. Cross, Professor of Economics, University of California, suggested the need of taking some action to provide for migratory workers, especially those from the canneries:

It is with the men engaged in the canneries that I think we ought to be concerned. Those men have to go into other lines of activity. The result is we have in California today, a large number of what you might call migratory families * * * and a large number of automobile families that go around from place to place, living in automobile camps, working for a week here and there, with very bad results as far as the children are concerned, and not very good results as far as the families themselves are concerned.

¹ In reply to criticism of the Associated Charities contained in testimony of Archie Brown, see statement by C. M. Wollenberg, pp. 21-23.

² See Exhibit 4 in Part II A.

E. W. Williams, Secretary of the Oakland Community Chest, stated that no provision was made in that city for homeless men, except in the case of the aged:

Questions by Commissioner French

- Q. Your estimates do not include certain groups, such as the homeless men?
 A. No, I have eliminated them, except the very aged homeless man.
 Q. So that any estimate would have to be increased to take in these groups?
 A. Yes; we have a lot of floaters here.
 Q. Could you give us an estimate of the total?
 A. I have never attempted to estimate the single men because there are so many floaters, here today and gone tomorrow, depending on how strict San Francisco is.

Mrs. Helen Artieda, Executive Secretary of the Public Welfare League, Alameda County, explained the method of aiding nonresidents:

Now in regard to refusing aid to nonresidents—aid is not refused to nonresidents. Aid to a person who is entitled to relief in another community is extended in the form of an offer of free transportation to that place where the person is entitled to charitable relief. And I do not want anyone in this room to go away with the impression that this community or any other California community refuses aid. There may be alternatives offered, one of which may be that the person to whom it is offered may be unwilling to accept it; and then there is always emergency aid for these difficult cases before they can make up their minds on what they are going to do.

Z. S. Leymel, Mayor of Fresno, told what that city has done in the matter of relief for unemployed transients:

* * * We appropriated \$1000 from the city treasury for the purpose of establishing a warehouse camp for itinerants going through the city.

In view of the fact that the men were coming in here in increasingly larger numbers all the time, we accepted the offer of the San Joaquin Light and Power Company to use their warehouse out here, which accommodates approximately 150 men, and we spent some of this money and other that had been collected in making the place partially livable. At any rate, it was a roof over a person's head; and with an hour or two of work there the men got two meals and a place to sleep; and that took care of the transient population for the time being.

The Salvation Army did a splendid work in taking care of our own people as far as their funds would permit, that is, the people living in this community; and Dr. Burk has been running a penny a dish affair across the street, which helped still others. In that way we have been cooperating with one another the best we could. While it has not provided work for everyone, it has staved off perhaps some of the unpleasant features that existed in other communities. Recently we appropriated \$400 or \$500 additional to continue the warehouse until the end of last month.

S. A. Ledbetter, Director of Public Welfare of the county of Fresno, discussed the special problems created by migratory labor and nonresident unemployed. In the case of nonresidents, he said temporary relief is afforded and an offer of transportation to the place where they have legal residence. The county is legally unable to look after them. It is then a matter for the private relief organizations.

In speaking of the problems encountered, Mr. Ledbetter stated that one of the worst situations they had ever dealt with was that which arose January 1st of the present year in the cotton section on the west side. Many nonresidents—Mexicans, Negroes and white persons from the south—had come in to pick the cotton; they were paid 50 cents a hundred pounds, which did not represent a living wage for men with large families. When the heavy rains came in the winter an emergency call was sent to his organization that 2500 people were starving and



THREE VIEWS OF THE "HOBO JUNGLE CAMP" IN FRESNO COUNTY

One hundred and fifty single men and 25 families with 40 children were squatting in this camp at the time these photographs were taken, in June, 1932. The inhabitants are unemployed migratory agricultural workers of mixed nationalities. The camp was found in a deplorable condition and without sanitary facilities, when inspected by the Division of Housing and Sanitation of the State Department of Industrial Relations.

freezing; that the water was up to their cabin doors and they were unable to get any fuel. They found that in some cases, families with children had been without anything to eat for several days, except flour with a little water stirred in to make it look like milk. Temporary relief was provided these families until they could return to their homes:

In our work we are set up by law. There are certain things we can do and there are certain things we can not do. We can not extend aid any length of time to a person unless he is a resident of this county. It is against the law and we can not put them on our list. If they come in and we see they are hungry, we can extend temporary relief, and we always do that, and if they belong in some other county we have got to offer them transportation back to where they belong, and if they won't go back, then we must turn them over to some other organization, because we are not allowed to spend county funds on these families that belong somewhere else, and there are a great many of those people. They are constantly coming in here, and they are determined to stay. Maybe they find some of their kin folks here or they like this climate a little better, and they come in and refuse to go back. We are not allowed to put them on our payroll, as we are with people who have established a residence here. Consequently, some private organization has to take them over and keep them going unless they are willing to go back.

Hubert Phillips, Professor of Social Science of the Fresno State Teachers' College, recommended that every community should make provision for food and shelter for homeless men:

Question by Commissioner Bauer

Q. In going about the State we have found a lack of what might be called free housing for unemployed men, those in need of a night's shelter that is publicly owned and operated, and when I say publicly, I mean those maintained by public money rather than those maintained by charities. What do you think about that? The thing I have in mind is the advisability of suggesting to the Legislature that in centers of population they should have such places rather than what some have referred to as "flop houses."

A. I would certainly agree emphatically with that, and have felt it and have argued it here in the local community, as some men present know, and we made a slight approach to it two years ago. It was done entirely privately. This last winter we did it semi-publicly, \$1400 from the city being spent, but again, the sound social solution of that, it seems, would be to do that municipally, because I think that is a police problem. * * *

Louis Freck,¹ carpenter, "representing unorganized workers," Fresno, related his personal experiences in connection with relief. He said that he had been out of employment for about two years; and that he had had only seven days of work since last August. He said that he came to the County Welfare Department² to ask for a few days' work in connection with their work relief program and was told that they could do nothing for single men. He said one had to live whether he was single or married. They gave him a couple of meal tickets for the restaurant conducted by the Seventh Day Adventists where food is served at a cent a dish. He said that in spite of the small amount charged for food, some of the residents have been starving because they did not have enough even to purchase food at that price.

L. B. Mallory, Deputy in Charge, Division of Labor Statistics and Law Enforcement, State Department of Industrial Relations, and member of the President's Emergency Unemployment Council, said that the wages now paid to agricultural workers do not constitute a living wage;

¹ See Exhibit 6 in Part II A.

² In reply to the criticism of the County Welfare Department see testimony of S. A. Ledbetter, pp. 38-40.

that where workers are paid only 15 cents an hour, it means that the county must make up the difference out of charity; that this was done last winter and will have to be done the coming winter.

Samuel S. White, editor of the Kern County Union Labor Journal, representing the Kern County Labor Council,¹ explained the assistance provided for unemployed transients. He stated that the city and county organized a woodyard where the men worked three hours for their meal tickets. At night they were bunked in the fair grounds on concrete floors. The wood they chopped was used to provide warmth for them at night, and what was left over was sold. Mr. White stated that on two occasions it was proposed to close the woodyard, but it is still operating and has been extended indefinitely.

With regard to existing conditions, he said that last winter in Bakersfield there were 34 families living outside in tents—they were on a tract of land along the river; some were transients, others were families that had lived for some time in the town; there are still some families living out there at the present time. He related how last winter in Edison he found a family—a man, his wife and two children—living on some land that belonged to a friend. They were in a little canvas lean-to fixed up between a tree and the side of an automobile:

* * * I believe that the Salvation Army reported that their increase in cases was about 500 per cent last winter over previous winters, indicating the extent to which the transient is a problem. For the transient, the city and the county organized a woodyard, at which they let them work, at the fine wages first of one hour a meal, two hours a meal, and finally three hours a meal. The reason they increased the hours was they felt if you faced a man with work such as woodpile work, he will run from it. The reverse was true. They flocked in there, glad to get the opportunity to work. They put no limit on the time after that. The three hours a day gives him two meals and he has one ticket left over for a rainy day, which is very good ethics. That handled the transient men. These men were bunked in the fair grounds on concrete floors. The wood they chopped was used in big stoves to heat them at night and what was left over was sold. And one of the most painful things from our viewpoint that happened was that the city and county officials bragged they were able to cut the tax rate by the sale of wood they obtained under such terms of employment. For the transient families they set up tents and permitted them to stay there.

F. L. Strong, Registrar, Welfare Department of San Joaquin County, stated that the department does not attempt to handle the single men or transients. These are turned over to the Salvation Army or the Citizens' Unemployment Council. The homeless men are concentrated mainly in Stockton. There are cheap boarding houses there where the men can secure a night's lodging for 10 cents and a meal for the same amount.

One of the most difficult problems in the county, he stated, is caused by the floater or transient. Some of these migratory workers come in for work on the ranches. He cited an instance where a labor contractor had recently brought in a number of families to pick cherries. The families were paid on a piece rate basis and it was difficult to earn \$1.50 a day. They camped in tents on the ground and were charged 10 cents a day for camping sites by the contractor. There were plenty of unemployed residents, he said, who would be glad to take any work available:

The hardest part is the floater that comes through, the transient, who is here today and there tomorrow, and as far as he is concerned, we find we can not get

¹ See Exhibit 20 in Part II B.

much out of him. But the local people, their work is seasonal—we have the fruits, vegetables, and all the way through the line. We might have work all the year round; but it takes a different class of workers. Or you might say, just the common ordinary worker can work at all of this; but the trouble with us there—I suppose it is the same all through the valley—is the Filipino and Mexican help. In Stockton we have close to 10,000 Filipinos. It seems to be the headquarters for them. They work for from 15 cents to 25 cents an hour, and a white man can not subsist on that kind of wages.

Question by Commissioner French

Q. What do you do for the single men nowadays, if anything?

A. They have fared pretty tough in our county. We had to turn them over to the Salvation Army and the Citizens' Unemployment Committee—we could not handle them.

Questions by Commissioner Cushing

Q. Are there families camping around Stockton?

A. Yes, lots of them.

Q. What kind of families are they?

A. Well, there are transients from out of the State. I was in a camp at Linden, where I live, 12 miles east of Stockton, and there was a labor camp. I made an inspection there the other day, and there were 46 automobiles there, and there were 29 out-of-state cars.

Q. What do you mean by a labor camp?

A. Well, a labor contractor came in; and he has a contract to handle the picking of cherries; and he is hiring these men. I think he receives 1½ cents a pound for picking and he pays the men 1 cent a pound. * * *

Q. Did he establish this camp?

A. Yes, he rented a piece of property, about three acres. In fact, I went to our local Health Center doctor the other day, and asked him to check up on this camp, because the sanitary conditions are very poor.

Q. What kind of shelter do these people have?

A. Tents, brought by the people themselves, and some of them sleep in the open; all he furnishes is the ground.

Q. You say all he furnishes is the ground?

A. Yes, and charges them 10 cents a day for the use of the ground, too.

Q. There are women and children in the camp?

A. Oh yes, the women and the children over 16 are working—the other children go to school—the probation officer sees to that.

Q. Are they asking you for relief from this camp?

A. No, that is why I checked up on them, so I would be ready for them if they showed up.

Q. What necessity is there for people coming in from the outside to pick fruit there?

A. Absolutely none.

Q. It could be handled by the local community?

A. Yes, I could put 5000 men in there tomorrow if they would give me the chance.

Q. What does the compensation that these fruit pickers get amount to, measuring in terms per day—how much would one of these fruit pickers get at the rate you mentioned?

A. Not over \$1.50 a day, and they would have to work pretty hard to do that.

Q. What arrangements have you for sheltering and feeding the single men?

A. The Salvation Army has been helping them.

Q. Are many of the families transient families from outside the county?

A. We are not helping many transients now. We are working very strict under the residence law.

W. H. Falconbury, Citizens' Employment Council, Stockton, referring to the relief for homeless men and transients, said that this is conducted by the Salvation Army. He recommended that some action be taken to try to induce the families that are there to return to their homes, and to discourage others from coming to the State:

As to the relief, taking care of the transients, that was done through the Salvation Army. The Salvation Army gave three meals a day. When a man came in,

they would give him tickets for one or two days, and the ticket would be punched; and when it was used up, they would be told to go on—perhaps that was not carried out 100 per cent; but that was the plan anyway. They had cots for 270 men, and I think that almost took care of the number. The Midnight Mission claims to have taken care of around 100, but I have no definite information on that.

The Salvation Army furnished, during the peak of the need, about 1200 meals a day; and we found this year, by telling people not to give transients either food or money, there was very little annoyance among the residents of the city. We furnished a place where they could get something to eat.

Last October we realized that this transient situation was going to be bad. We wrote to Hoover's committee, the United States Chamber of Commerce, the Community Chest Association and the different organizations in the State, including the State Chamber of Commerce, urging that something be done toward trying to stop transients from coming to California. I believe if that had been done at the time—there are thousands of people here who would not have been here if some means had been taken to stop them; but I think it was in January before any effective action was taken to try to stop the transients coming.

I believe now, that if the State Commission or the Governor's office would take action to try to induce these people to go home, and discourage transients from coming to California, it would be a great help this winter. It is heart-rending to see a family come in—they go East and load the whole family in a Ford car and bring them here; and there is no way to take care of them. We give them emergency relief, and usually they move on; but once in a while they squat here, and they will not move on, even if we give them transportation; and I think that side of the situation deserves serious consideration.

Mrs. E. C. Stewart, Chairman, American Red Cross, Stockton, in charge of the Relief Division of the Citizens' Employment Council, said, with regard to single transient men, that it would be preferable to have these men cared for in the State labor camps rather than leaving them as a charge upon the local agencies. She felt that some of these men were taking advantage of the existing conditions:

I differ with Mr. Strong about the single men. I think if we had not taken care of the single men so well this winter that we would not have had so many of them, and I think more of them would have gone to the State camps. For some reason in Stockton the idea got going that the State camps were prison camps—and we were never able to interest our men in these camps. I think if they were hungry they would have even gone to a prison camp. * * * I do not think this is the time to see how easy we can make the life of the single man; I do not think he should be starved to death, either. * * * I do not see any reason why the county should have to worry about the transient floater who just comes in and gets a good place to sleep and something to eat and stays until his card is used up, and then comes right back under some other name—John Doe, or James Smith—and does it again, and lives here all winter. I do disagree very much with Mr. Strong on that. I think we have taken care of the single men in Stockton altogether too well.

Questions by Commissioner French

Q. I was quite interested in your observations on the single men. When times are good, these single men are very much in demand to help with the crops, are they not?

A. The single man who belongs in the community is, and we made that distinction. The single man who has lived in Stockton for two, three, four or up to ten years, or who can show us that he has always come back to Stockton every winter, who worked in the camps and in the fields in the summer—I do not mean him. I mean the single man who is floating, with a pack on his back. The other single man I think we have a decided duty towards.

Q. But a number of these men are affected by the economic conditions; under normal conditions, as they move around, they get work, but today they find that impossible, do they not?

A. Well, I do not know whether I agree with that or not. I think we have a large proportion of our single men, who are taking advantage of the fact that there

is a depression to get a living and not work for it. They say they can not find work, and the community is feeding them. I may be wrong about that, of course, but that is what I think.

Mary Judge, registrar of the Department of Social Service, Sacramento County, stated that no discrimination is made in the relief given by the department; single men and transients are assisted when there is need. Most of these cases, however, are carried by the private agencies—the Community Chest groups, the Salvation Army and the Volunteers of America:

Questions by Commissioner Cushing

Q. The aid you are giving is limited to families?

A. No, we help everybody.

Q. The single men too?

A. Yes; most of them the Salvation Army has been taking care of for the winter through the Community Chest.

Q. You do not take care of the transient single men, do you?

A. Very often we give them meals; I never let a man go without a meal; but the Community Chest has been taking care of the single men through the Salvation Army and the Volunteers of America, which was handled very nicely. The crime in this town was very low on account of the efficient way the transient and single men were handled. I think it has been well handled myself; and we hope next year we will work out something that will give them a little work.

J. Lubin, Personnel Manager, Red River Lumber Company, Westwood, told about the relief work conducted by the lumber towns, citing in this connection, the methods employed by his own company. He said that many transients—single men, and in some instances, families—come to the lumber towns looking for jobs and are stranded. The company and its employees have raised a fund similar to that conducted by the Community Chest in order to handle the relief work. Transient men who come to look for work are fed for one day. He said that the men are coming at the present time at the rate of about 75 a day. Sometimes, whole families come in a car, without a cent of money. In such cases, they take care of them for a day and give them gasoline and food. They try to help families in preference to single men:

Now, we do have a great many transients, particularly men, that come in for jobs. * * * They come in in droves, and try to get a job—they are not hoboes, they are workers. We have no jobs but we feed them, and then they take their palatial freight cars out.

We have many families * * * A great many are county charges now in Westwood, because it is impossible to use the number that are there. We find many desertions, where the husband leaves the wife and family; and these families are partially on our hands and partially on the county's hands. In the County of Lassen, their funds are gradually being depleted through lack of paying taxes and so forth. The amount allowed is gradually getting less. I think it is approximately \$20 today for a person in distress—\$20 a month.

Questions by Commissioner French

Q. You referred to the single men, the seasonal men, who come in for work. I think you expressed the opinion that, as a rule, they were anxious to find something to do?

A. Yes. I might describe that, because it is rather peculiar. The trains come in, and they are packed with what we used to call "hoboes;" but these men are not "hoboes" at all. They are mechanics, highly skilled mechanics—why, I have gone down and met the train, just to study that problem—there are precision mechanics, bricklayers, almost every trade is represented; but there are very, very few of the

old time "hoboes." These men are not proud, they will do anything. They are very anxious to get work. We have other cases, where whole families come in, in automobiles, and they land without a cent, in which case we always give them gasoline and food to take care of them for one day.

Q. Have you any way of knowing how many men reach Westwood a day on the trains and otherwise?

A. Yes, it averages—the average over two weeks, a period during which I kept account, was about 75 a day.

W. B. Jenkins, Manager of the Sacramento Community Chest, said that the problem of itinerants is handled entirely by the Salvation Army. Since last September, more than 1200 men have been fed at the local kitchen each month. They are given two meals a day and allowed to eat all they wish. On April 15, however, owing to shortage of funds, it was necessary to cut down on the rations. Last year, he said, their peak load for transient men was 700:

The itinerant question is the sole responsibility of one of our Chest agencies, the Salvation Army. We have been very successful in the handling of our itinerant question and problem. We have fed, since the first of last September, better than 1200 men at the local kitchen; we gave two meals a day until the fifteenth of April, and then we went on a reduced schedule, due to our finances. Last year our peak was 700 odd, so our increase on the itinerant problem in Sacramento was greater than expected. However, we find that in many cities they used the three-day benefit clause—in many cases they are allowed three days and nights and then are asked to move on—but we have not done that. We thought that if we assumed our proportion of the itinerant problem, and that if other cities would do the same, it would go a long ways towards aiding the itinerant problem. We fed them relatively well, the best we could under the circumstances, provided good suitable food, all they wanted. A man would have to take the half hour work test in our woodyard and then he could go there and eat as long as he wanted. There was no restriction as to how much bread or how much coffee he could have, and that went on until the fifteenth of April * * *

On the fifteenth of April we had to cut down the rations, and we did it just because our finances were so we just could not carry on. We were assisted by the city in helping out in the problem, which grew beyond all proportion.

Questions by Commissioner French

Q. Have you any way of telling about how many single men there were?

A. It averages about 1200 a month from the first of September.

Q. They do not work?

A. Well, we have a half-hour test, yes.

Questions by Commissioner Cushing

Q. We found in Los Angeles where the work test was put on, that the demand for meals dropped off considerably. Did you find that situation?

A. No, the men who migrate to this town are used to the work test. We have had it for the past three years.

Q. What is the work test?

A. I would say they chop wood for about a half hour or so. The wood is furnished by the city and other means, and that wood is the city's and is returned to the city corporation yard.

Now in March last year 18,484 transients were helped. This year 36,398. In April last year 7323; this year 20,722.

J. L. R. Marsh, Secretary of the Federated Trades Council, Sacramento, suggested that the State might assist in stabilizing the employment of migratory workers by outlining the trend in markets for seasonal products and suggesting the rotation of production in different sections of the State to permit more effective utilization of migratory labor.

Martin Wilson,¹ harvest hand, representing the Unemployed Council, Sacramento, related his experiences as a migratory worker, the conditions he encountered in the harvest fields and the kind of assistance he received from the city when he asked for help. He said



TWO VIEWS OF A CAMP OF UNEMPLOYED SQUATTERS IN
SACRAMENTO COUNTY

This camp is within the city limits of Sacramento. It was occupied by 36 families with 30 children when the photographs were taken by the Division of Housing and Sanitation of the State Department of Industrial Relations, in June, 1932. In February, 1932, there were about three times as many families squatting in this camp. One unemployed American family in this camp consists of a father, mother and nine children, raised in Tuolumne County. "The toilets in this camp are open and of improvised construction, barely shielding the persons from sight. No garbage disposal system. Water secured from adjoining auto camp and gasoline service station."

that on the ranches where he worked, and from information he secured from ranch owners and other harvest hands, it is the practice to allow part of the crops to rot on the ground because there is not room for them in the warehouses. He cited an instance where the contractor purchasing the crop stipulated that two-thirds should remain on the

¹ See Exhibit 7 in Part II A.

ground. He felt that if he and the other agricultural workers were producing for consumption rather than merely to fill a hole in a warehouse, there would be more jobs and less unemployment and less difficulty in maintaining the standard of wages for agricultural labor.

He told about coming to the city for work and his efforts to make himself presentable before applying for a job. He said that as he had ridden in on a box car, his clothes were dirty; and he went to the recreation center to wash and do his laundry. He told of the lack of adequate provisions—cold water and no soap; the absence of lockers or any provision for privacy or for protecting those who try to be clean from contact with vermin and filth. He told about going to the jail that night to sleep as he had no money to pay for a night's lodging, and finding conditions at the jail so filthy as to constitute a menace to health. He said that young men after six months under such conditions as he encountered, were unfit for employment. He recommended that when a community furnishes assistance, it should make sure that the assistance is of the kind that will help and not injure.

Mrs. Minnie Jones, cannery worker, representing the Unemployed Council, Sacramento, told about the destitution among some of the migratory workers in the neighborhood of the canneries and the difficulty in securing assistance from the welfare agencies.¹ She said that she had been threatened with arrest because she went to one of the agencies¹ with a committee from the Unemployed Council to ask for food for some of these families. She advocated that immediate relief be given through a committee of working people:

There were many—the people in the immediate neighborhood, unemployed workers, suffered all through the winter for the want of food, clothing and shelter; and in many cases they were refused aid at all from the charities, especially the single men. In the vicinity where I live, most of the people were called floaters; but 90 per cent of those people had been in California over a year, and one-third or more of them were born in California; but they had been kicked from one place to another because they could not pay house rent. The only thing they had was a car, and they were kicked out in it. The charities at Sacramento treated the working people very disrespectfully. They refused aid in many cases; and I myself was threatened with arrest and jail sentence because I went up on a committee of the Unemployed Council to ask for food for those starving children and families that I know were in actual starvation; because I could sit at my window and see those little children running around barefoot and cold and lying down on the ground on a ragged blanket at night and with nothing to eat.

Mrs. Hazel Hayes,² migratory farm worker, Sacramento, representing the Unemployed Council, told about her work on a spinach ranch near Sacramento and her experiences in securing relief from the charitable agencies.¹ She said that she and her husband were employed at picking spinach:

We are farm workers. We are in the fields or anything we can do. As a farm worker I find conditions on the farms are very bad in regard to living wages. I will tell my experience in the spinach fields this spring. A Portuguese contracted the field from the farmer, and he offered to pay us four cents a box for picking the spinach; and the boxes weighed from 65 to 70 pounds. He continued paying us four cents a box for a few days, and then we were told he would have to cut the wages to two cents a box; and when we protested against the cut, he said we

¹ In reply to criticism of the welfare agencies contained in testimony of Mrs. Jones and Mrs. Hayes, see testimony of Mary Judge, p. 44, and Margaret Hughes, p. 48.

² See Exhibit 8 in Part II A.

were lucky to get two cents; but we picked spinach for a few days at that rate, and the average at that wage was from 45 cents to 75 cents a day. You know we could not live and pay rent on that kind of wages. We lived in a three-room shack with no lights and no water and no window panes. The relief given out by the charities¹ is not sufficient * * *

Questions by Commissioner Cushing

- Q. Are you speaking for a family?
 A. My husband and I and two children * * *
 Q. Is that shack in the auto camp?
 A. Yes, but they have not been able to rent it because it has been condemned.
 Q. How long have you been living in that shack?
 A. I do not know exactly when we moved in there, along in February.
 Q. Did your husband work in the spinach with you?
 A. Yes, sir.
 Q. You spoke of the amount you earned a day being 75 cents?
 A. Between us.
 Q. For a day's work?
 A. Yes.

Question by Commissioner French

- Q. Were there any accommodations on the spinach ranch, board and lodging?
 A. No.

Miss Margaret Hughes, County Welfare Department, Sacramento, explained what the county has done in assisting transients. From the 1st of July, 1931, until the 1st of May, 1932, \$81,200 had been expended, of which amount between \$15,000 and \$20,000 was expended on transient auto campers:

* * * We gave aid to between 375 and 400 auto camping families, most of them camping in free camps. There has been a camp, and it is now part of a camp, between 12th and 16th streets as one goes into the subway going out of Sacramento. There was another one over by the filtration plant. There were a few camps where the old Natoma Bridge was torn down and a few others scattered in a few sections.

In the early part of August or September, when these camps started to fill up, principally because of the fact that many of the families were floated out of Yolo County by some very rigid action on the part of the authorities over there, we received quite a group; and the same day they came in we had applications for aid from a great many of them. We, at that time, took the matter up, and as Miss Judge is inclined to be a very humane person, she felt it was inhuman to keep these people floating all over the country; and she said, "Let us give them a chance. See if by letting them have free camps—it is practically impossible to verify residence of over 50 per cent of them—let us give them a chance." We started out with that rather humane idea of solving the situation. When this group came into the camp between 12th and 16th streets, which we call the North A Camp, it started through the leniency of Mr. Shaw. Mr. Shaw was kind enough to allow two or three families to camp in there and it grew to about 100 families at the peak. During December and January we were not only giving considerable aid, but the Volunteers of America, an agency of the Community Chest, gave a great deal of aid. They gave baskets to practically everyone during Christmas time. In addition, a charitable man, a citizen of Sacramento, opened a tent out there for distribution of goods * * * All the trouble we have had with the Unemployed Council has been over nonresidents; and many of them have refused to return to their legal residence.

LABOR CAMPS

The general opinion expressed with regard to the State labor camps was that they have rendered an important service in relieving the municipalities of part of the care of resident homeless men and unemployed migratory workers, and in providing assistance for these groups.

¹ See note, p. 47.

It was recommended by representatives of the welfare agencies that some of the camps should be kept open throughout the year. Other recommendations were that in addition to food and shelter, shoes, clothing and medical care should be provided for the men; also that some provision should be made for recreation. There was some feeling on the part of labor that wages should be paid to the men at the State labor camps.

J. W. Buzzell, Secretary of the Los Angeles Central Labor Council, said that organized labor objects to the State Labor Camps on the ground that the men do useful work and receive no wages except their board and lodging:

* * * Another thing which I think this commission should take into consideration in their report to the Legislature to prevent its recurrence, is that we resent the State establishing camps where men go and work, and do useful work, too—and if they do not do useful work they should not do any—absorbing the appropriations and getting no wages except their board and room. And if you had to see some of the board, you would not work there at all.

A different point of view was presented by C. A. Billig, Manager of the Municipal Service Bureau for Homeless Men, Department of Social Service for the City of Los Angeles, speaking for a committee of the Community Chest. He expressed appreciation for the action of the State in opening the labor camps to care for homeless transient men, and to relieve the city to some extent from this burden. He recommended that the camps be opened as early as possible in the fall, saying that if funds were available he would favor having some of the camps open throughout the summer. He further recommended that in the camps conducted another year, provision should be made for some additional care of the men besides food and shelter:

Now it may interest your honorable body, and you good people, to know that these work camps last year were a life saver to many men who came into this city. There were in all actually about 2500 men, approximately that, sent to these camps. I am using the word "sent" advisedly, because about 18 per cent of the men who were sent to the camps did not go. There was reason for that, and there was a decided accomplishment in the aim and purpose of these camps in that percentage of men who did not go. Therefore, we are extremely gratified to report that there were tangible results attained by means of these State camps opened to care for these transient homeless men during the first two months of this year.

That is one of the contributions your efficient body made last year, and we recognize it, and express our appreciation and gratitude, * * * and we appear here to beg you by all means to keep in mind, and suggest wherever possible, the opening of work camps next year early in the fall; so if recourse is necessary to care and house these men, we may have that to fall back upon, instead of throwing the burden wholly on the city of Los Angeles. * * * We sincerely hope your honorable body will suggest to whatever legislative bodies necessary, not only the opening of the camps early in the fall, but some means of caring for the men other than mere housing and board. Shoes, clothing and medical care are necessary wherever these camps are maintained.

A. C. Price, Assistant Superintendent of County Charities, Los Angeles, said that some 340 to 350 resident single men are working in the labor camps which were established in conjunction with the Forestry Department. These men are working six days a week on forest

road work. This service, computed on a 50 cent hourly basis, represented during the month of March \$108,000 worth of work:

* * * This, of course, does not relieve in any sense the present burden on the community, in so far as public relief is concerned, because the funds to take care of these camps and these men working in the city and county parks comes from the county relief budget, so there is no actual saving because they are working—it merely represents service in return for their aid.

Question from the floor by Charles Freeman Johnson, Civic News Bulletin, Los Angeles

Q. May I ask a question as to the unattached men who work in the parks and other places—whether or not any money is paid them other than that you are giving them a place to sleep and something to eat?

A. Not a cent. We have at the present time five camps, representing about 340 or 350 men, resident, single, able-bodied men, who are working in those camps in return for their aid, which will run about 50 cents per day.

The Los Angeles Chamber of Commerce¹ advocated State labor camps to assist in relieving local communities from the care of unemployed transients:

The Los Angeles Chamber of Commerce is definitely convinced that the burden of providing for indigent resident unemployed is distinctly a local problem for each community. With respect to these transient indigent unemployed, the Chamber of Commerce is on record to the effect that the State, through the establishment of work camps, should in a large part relieve the individual communities of the burden of providing for these transients.

Similar recommendation was made by the Tri-Counties Reforestation Committee of California.² They expressed approval of the State labor camps, suggesting that this is a practical method of solving the serious problem of caring for the transient indigent and that the camps have resulted in the performance of work which is of great benefit to the State.

J. H. Rainwater, Manager of the Community Chest, San Diego, recommended that the State continue the labor camps opened last year as a means of handling the problem of transient single unemployed men. He said that the transients are largely residents of the State. He felt, therefore, that the State is in a position to handle the situation:

* * * I would like to urge upon the members of this commission that you urge this year and next year—perhaps not in the same way, perhaps under different organization, if the experience of this State so dictates—to continue with the plan of dealing as a State problem with the transient single unemployed laborers, who found themselves out of work during the winter season. I can not describe to you the confusion throughout California and America in handling these unfortunate unattached people, who depend for their livelihood upon working at casual transient labor at seasonal occupations. They are not welcome anywhere, and they drift all over. During seasons of great unemployment and depression, they are the first to suffer and perhaps the last to be relieved. We have always had chaos and confusion in handling them. During the past ten years we have tried to produce something of a community-wide plan, which individual communities would agree to, only to find after we adopted some plan that some of our bigger communities would have to make exceptions to it; and the result has been confusion.

During the past winter, the State, through its labor camps, has taken a very important step. And I recommend the care of the transient single unemployed men in good times, as well as in bad. They are citizens of the State—not citizens of any

¹ See Exhibit 6 in Part II B.

² See Exhibit 7 in Part II B.

certain community; they go from one community to another. The town that tries earnestly to take care of them merely draws them beyond all its ability to care for them.

I want to commend the State upon that emergency measure; and it is my belief that it is the first time any State has ever attacked this problem of the transient single unemployed man. It should be handled nationally; but fortunately here the transients largely circulate within the State; and if it can not be done nationally, we can do it about 90 per cent as well within the State.

Jerome B. Pendleton, Executive Secretary of the San Diego County Welfare Commission, also felt that the State labor camps afford an excellent method of providing relief to single men, both resident and nonresident:

My own thought in regard to State aid, as far as San Diego County is concerned, would be a continuation of the State camps like we had here, but not to limit it for the nonresident. * * * I think a very splendid way would be along the line of the State camps in every county or in a district where they could go and work on a program such as we had at Camp Kearny.

Francis von Haeseler, printer, representing the Unemployed Council, San Diego, protested against the State labor camps, claiming that they are slave camps:

Mr. Pendleton advocated continuing Camp Kearny. We contend those are slave camps. The slaves were freed in Civil War times. Many of our best citizens are advocating now that many of our workers in the country who will probably never work again, be put in the slave camps like that. I protest as strongly as possible against that.

S. R. Black,¹ Chairman of the California Labor Camps Committee, explained the program adopted for the State labor camps, and outlined plans for the ensuing year. He stated that 3300 men were in the camps during the peak of the season—2700 in the twenty-eight forestry camps and 600 in the two highway camps. The men were asked to work six hours a day for food, shelter, tobacco and clothing. It was not until February 10 that the State was able to supply clothing to the men. The men also received, through voluntary assistance, some medical care. The total cost per man per day in the forestry camps was around 50 cents. This was exclusive of overhead based on the salaries of supervisory staff and State equipment. In the highway camps the rate was somewhat higher.

The work performed by the men in the camps included building roads, cutting fire trails and building motor roads for the Forestry Department. The purpose of establishing the camps was to check the influx of nonresidents into the State and to take care of those already in the State where local agencies were unable to do this. He estimated that about 20 per cent of the men in the camps were residents of California. He claimed that the effect of the camps was to deter the indigent unemployed from coming to California.

In referring to criticism of the food served at the camps, Mr. Black stated that the meals were on a par with any construction camp food, and that the men were allowed to eat as much as they desired. He stated that in one camp where a check was made, the men who stayed over two months gained from ten to fifteen pounds per man in weight; also that there was very little sickness among the men.

¹ See Exhibit 11 in Part II B.

With regard to the claim that men were sometimes forced to go to the camps, he admitted that some communities that made no provision for relief required transient unemployed men to go to the camps or to move out of town. After the men reached the camps they were free to remain or go, as they saw fit. They were required to leave if they did not comply with the rules. These rules were made by the men themselves, as the camps were self-governing. The men were secured by the camps through various local recruiting agencies, such as the Salvation Army and the Community Chest.

In connection with the work for 1933, Mr. Black recommended a program providing a million man-days of relief, starting the middle of October and carrying through to the end of April. He stated that the estimate provided for a total of seven thousand men; that financing this program would require half a million dollars.

With regard to legislative action, he asked that the commission consider and sponsor legislation to enable the State to provide medical care in connection with the camps. At the present time the State can not legally pay doctors' bills for men in the camps who are taken ill. Private funds were used to meet such expenses during the past year:

The labor camp program was adopted for two purposes. First, to cut down, if possible, the influx of nonresidents into the State, and second, to take care of those already in the State, whom local agencies could not care for. On the whole, the program worked out very satisfactorily. Thirty-three hundred men were in camp during the peak of the season, doing work of great benefit to the State, were well cared for, fed, housed, received some clothing and medical attention, and the cost was within the range that the State could meet, realizing that this emergency happened after the Legislature adjourned, and there was no legislative provision for it.

We are going to face a similar problem this next year. We have made recommendations here for a program, providing a million man-days of relief next winter, primarily for nonresident men, starting the middle of October and carrying through to the end of April, providing for a total of 7000 men through the peak of winter in camp, and we have suggested the importance of financing such a program. Briefly, it provides for \$200,000 from the State highway construction fund, \$100,000 from the State highway maintenance fund, and \$200,000 from the State emergency fund.

This program provides for taking care of over twice as many men in camp next year as was done this past winter, and provides that the men shall be in camp for approximately two months longer than this past winter. By opening camps earlier it will be possible to send the nonresidents into camps as they arrive in the State, thereby relieving local relief agencies from the burden of taking care of nonresidents. By starting early and giving sufficient publicity it will be possible to keep out of the State of California thousands of the hobo type that refuse to work under all conditions, and who will avoid the State when they know if they enter California, they will have to go to labor camps if they expect to eat. Another advantage of opening the camps earlier than last year would be secured through making it possible to establish camps before the heavy winter storms arrive.

* * * I hope the commission will consider and sponsor legislation, which will enable the State to meet certain expenses in connection with the operation of the camps that it can not now legally do, specifically medical care. That is the most important. For the men in camps, the State could not pay doctors' bills, unless a man was injured in an accident, in which case the State Compensation Insurance Fund could function. It made considerable additional work to operate the camps, giving the men proper care, because of this lack of ability on the part of the State to meet necessary costs. We raised private funds to pay for some hospital bills; the city and county of San Francisco assisted in paying those bills for men sent from San Francisco. Other counties tried to do the same. Some could, and some could not, on account of lack of funds. We got private doctors to

volunteer their services; we should have been at least able to pay them their mileage and the cost of medicine.

We recommend that the highway construction fund be used to operate State labor camps for the construction of highways under the supervision of the Department of Public Works.

Orval Swayne, San Francisco, member of the Marine Workers' Industrial Union and Unemployed Council, representing workers on the waterfront, complained that the labor camps are taking away the jobs that the seamen and marine workers could formerly get when they came ashore:

* * * We find also that these jobs which a seaman could get when he came ashore of building fire trails and also fighting forest fires, etc.—we could four or five years ago go up on those jobs in the country and might make a few dollars to keep us alive and keep us fit—but today we find that the unemployed throughout the country are being forced into these free labor camps up around the State of California and Washington to take these jobs for nothing, which one time the seaman or migratory worker would be able to take for \$4 a day.

Frank Sewitz, metal worker, San Francisco, representing the Unemployed Council, claimed that men were refused assistance at the relief stations when they would not consent to go to the labor camps.

C. M. Wollenberg, Director of Unemployment Relief, San Francisco, replying to the criticism that men were coerced into entering the labor camps, said that notices regarding the camps were posted in the Kitchen and in the Registration Bureau, and that they always had more volunteers than were needed:

San Francisco has sent a great many men to camp. We posted notices in the Registration Bureau and the Kitchen to the effect that forty or a hundred men were wanted for camp, and we always had more volunteers than we could handle, and it was never necessary to use coercion. The only coercion that was used was by those that stood in the line and booed these men as scabs when they went to do this work. They tried to stop them. Out of three or four thousand in line, there would be a dozen or so booing those men who wanted to get out of the city and go to the clean mountains and work for their food instead of standing in a bread line, and there was always a small group of reformers who stood by and booed them. I have seen nearly all of the men that returned, and I have not seen any that came out of the camps dissatisfied.

Max Olson, representing the Youth Committee¹ of the Unemployed Council, San Francisco, criticised the labor camps as demoralizing.

George T. Baker, representing the San Francisco Citizens Relief Association, objected to employing men at the State labor camps without paying them:

* * * I would like to touch on Mr. Black's statement of the labor camps. Mr. Black testified yesterday morning that men were sent out to the camps, and that the cost of maintaining them was approximately 50 cents a day. That included their shelter and food. First, he said around 29 cents to feed them and then he made a statement that it cost around 50 cents. Then he was asked a question and he said those men produced in the neighborhood of about 25 cents an hour, or 30 cents an hour's worth of work on construction, and he said they worked from six to ten hours a day. If a man worked from six to ten hours a day at 25 cents an hour, granting that, and he only received 50 cents, who spent the rest of the wealth he created? Who got that? Did he get it? He did not. Is the State appropriating the surplus labor of the men who are working under this unfortunate condition unto itself? Is that what they have stooped to? That is disgraceful.

¹ See Exhibit 5 in Part II A.

Charles A. Anger, representing the Community Chest¹ of Fresno City, submitted the following recommendations of the Community Chest: The establishment of State highway camps for unemployed men, similar to those operated prior to April 15 of the present year, but more extensive, to permit the utilization of a larger number of men; the establishment of general work camps similar to those operated during the past winter, but on an extended basis, to provide for 3000 men:

We believe this request is justified on the basis of the present unemployment problem which shows no promise of decreasing during the summer. We believe further that the State Highway Commission has funds available which can be used for this purpose, that such camps can be operated at a greater economy during the summer months, and that highway construction requiring the extensive use of machinery should, as far as practical, be deferred in the interest of those projects which utilize a maximum of hand labor.

We believe that the State has on hand, or can secure, sufficient funds to make this program possible.

W. B. Jenkins, Manager of the Sacramento Community Chest, stressed the importance of the assistance given through the establishment of the State labor camps. He considered the camps, while not a solution of the problem, a valuable emergency measure:

Too much emphasis can not be placed on the splendid and well regulated operation of State camps during the past winter and spring. As an emergency measure, it assisted many communities, although the proportion of men assisted was relatively small to the entire problem. It did give those willing to work an opportunity to separate themselves from the habitual class of nonworkers. We are particularly grateful for the assistance given in this regard by the State to the city and county of Sacramento.

* * * At the present time, the financial setup of State, county and nation is such that wherein if these men who could and would work could be segregated and enabled to earn their keep, it would be a very good thing. I know a lot of men that we are feeding in that line there, who would feel much better if they could do some tangible work for their keep instead of just chopping some wood. I had four men in my office that came from the camp north of Nevada City, and I was surprised at their reaction. They came in and wanted to know when camp would start, and said if they were unable to get work next summer, they wanted to go back again. I think the camps were wonderfully well managed. I visited two of them. I think it was the means to a way out, not as a permanent thing, but in the height of this depression, where we are up against the idea of feeding people, I think it is a means towards a good end at present.

Question by Commissioner French

Q. Were any men forced to go to the labor camps, directly or indirectly, or did they go of their own volition?

A. Why, in our experience we had two to one who wanted to go.

Rolland A. Vandegrift, State Director of Finance, felt that the State labor camps have fully justified their expectations; they have performed worth while work for the State; they have relieved the municipalities from part of their burden; provided care for the non-resident unemployed; and have discouraged the influx of migratory workers. The camps should be recognized, he said, as an emergency measure, not as a permanent device:

The unemployment labor camps of the State were established primarily in answer to the demand that we had in California in regard to our unemployment problem, which was not entirely the responsibility of the county or of the city.

¹ See Exhibit 21 in Part II B.

and for the reason that there were coming into the State of California, at the rate of more than 1200 a day, nonresident unemployed. They came looking for work. Some of them said, when asked why they came, "Well, the climate in California is such that you won't freeze to death, and the people are too kind-hearted to let you starve to death." And they came in, 150 on a train; they came into the different cities; and the cities were having a hard enough time to take care of their own responsibilities, and they appealed to the State.

* * * The State had very little funds to operate with. Under the law we had to do something useful; so we looked about and developed the plan that we establish these camps outside the cities, in the forest region below the snow line, and that we do useful work, building fire trails, reforestation work, cleaning up some of our parks. And in order to make our money go as far as we could, we would provide only food and shelter in return for, say, six hours' labor per day.

The cities were supposed to provide transportation to camp, medical examination and hospitalization. We went to the centers of population, and the unemployed were told that we had these camps, and in return for labor, we would provide food and shelter. I personally inspected a number of the camps, and talked with a large number of the men in the camps. In my opinion, we had the cream of the labor crop. They came voluntarily, and in every instance, they wanted to do more than the State asked. They made their own rules to govern their camp. They made stricter rules than we would have made if we had written them, and they enforced them themselves. One of the things they said was, "There must be no waste."

The return in labor fully justified our expectations. Some five hundred miles of fire trails, protecting the water sheds, were built. It will not yield an immediate profit in any way; but the return will be in preventing the spread of forest fires in the future, a return which of course can not be measured now in terms of dollars and cents.

We took care of about three thousand men. * * * In talking with the men in the camp, they pointed out two significant things—"You have given us a chance to stop for a little while and orient ourselves, and in many instances get on our feet physically, and you have let us keep our self-respect." I think that the second part was most important. These men worked for what they got—they did not want to be on charity—they wanted a job. Of the various things I have had to do with since I have been in the State employ, I feel best about the little part I had to play in giving some three thousand men as much as we were able to. I feel that the programs should have been larger, two or three or even four times as many men should have been given the opportunity to go and work there for their food and shelter, but we could not provide the means or the organization. We know that it worked satisfactorily; we know what can be done; and we are prepared to make a recommendation for the extension of the program if this unemployment continues through another season. * * *

It is interesting to note that the ratio of intrusion into the State of 1200 per day plus dropped off very materially when it was found that there was a chance to work in California for shelter and food. In place of there being 1200 a day coming in, it dropped to 800, to 600, to 400, and pretty soon all of the men who were unemployed and did not want to work stopped coming altogether. * * * In the labor camps we did not have that type; these fellows were not looking for charity—they wanted work; and I think the cream of the labor crop was there. Many were men who were accustomed to coming to California for ten or twelve years or more, and would usually have earned enough in the harvest to carry them through for the winter; but when they received little or nothing in the summer, they naturally did not have enough to live on in the winter. * * *

E. Polas, restaurant and hospital worker, Sacramento, speaking for the Unemployed Council, suggested that the State labor camps should be open the year round if they are to be effective in allowing men to maintain their self-respect, instead of asking for charity; otherwise, he said, the men on leaving the camps are forced to beg:

Mr. Vandegrift said this morning, the men working in the camp thanked them for keeping their self-respect. All right. They kept their self-respect for a few months for a place to sleep and something to eat. The job is closed. How are they going to keep their self-respect? No, they have to ask for charity. They have to go on the street corners to ask somebody for a nickel or a dime or two bits

for a flop. That is not sensible. Now is the time for the camps. The men are down and out. Lots of them are looking for a living, and are they getting it? No.

Claude Deal, police officer, Sacramento, who had been assigned to duty at one of the State labor camps in the northern part of the State, related his experiences with the men. He felt that conditions at the camps were good. In connection with the establishment of more camps, he recommended that provision be made for recreation for the men:

I am familiar with the unemployed camp in northern California. Being a police officer, my work was to see there was no trouble; and being an ex-service man connected with the American Legion I took it upon myself to comfort the men more than a police officer should. * * * I am in favor of unemployed camps, although I would like to see the men receive a small wage. * * * The men were fed very well and they were to do so much work, and that was all, but I do say this: If any more camps are established it would be advisable to have some recreation, moving pictures possibly. Through the Legion I received radios and musical instruments; and we had a haywire orchestra, and got sheet music, and had a little entertainment. Without that we had no entertainment, no comfort. * * *

* * * Again, I would suggest the men be given some salary for their work and be given some entertainment. * * *

Questions by Commissioner Cushing

Q. What kind of shelter did they have?

A. There were 16 men in each bunk house. They had about 18 showers, showers three times a week. At first we had no soap or towels, but they came.

Q. What about heat?

A. They had big furnaces and they were well taken care of. In the dead of winter, from the middle of January to April 15, the men were very comfortable.

Endorsement of the State labor camps as a means of dealing with the problem of out of State transients was given by the Stabilization Committee of the California State Chamber of Commerce:¹

During the past winter, upon strong recommendation, the State of California established a "State Work Camp Plan," primarily to discourage transients crossing our borders from other states, and also to provide some measure of relief to local communities confronted with overwhelming numbers of these transients. This State activity should be continued for the time being; as those taken care of in these camps are required to perform necessary fire trail construction, and other productive work.

WORK RELIEF

Opinions with regard to methods of giving emergency unemployment relief differed. Some of the representatives of the welfare agencies, concerned with the rapid growth in the number of cases and the lack of financial resources, favored direct relief, usually in the form of grocery orders, on the ground that with the funds available it is possible to care for a much larger number of families in this way. Others, especially interested in maintaining the morale of those aided and desirous of reaching the type of individuals who are unwilling to ask for charity, advocated work relief. It was held by some that this form of assistance, when intelligently and efficiently administered, is the wisest and most effective means of dealing with the situation.

Several of the speakers urged that public works projects should be at all times available for men who are out of employment. A few

¹ See Exhibit 22 in Part II B.

avored work relief as a means of giving the taxpayers some return for their money. Nearly all of the communities represented at the hearings were conducting some kind of a work relief program, usually on an arrangement whereby heads of families were given a certain number of days of work each month, payment being made either in cash or supplies.

Anthony Pratt,¹ Secretary-Manager of the Municipal League of Los Angeles, said that in a wisely ordered society there is no excuse for charity in dealing with men and women who are able and willing to perform a service. There should be social planning whereby at all times every man who has lost his footing in private employment and is willing to work shall be given by the State a chance to do so.

F. O. Wallschlaeger, Assistant Secretary of the California Fruit Growers Exchange, Los Angeles, advised in connection with work relief, a lower wage than might normally be paid. This was in the interest of the persons contributing to the support of the program and as a means of encouraging the persons aided to secure employment for themselves as soon as possible.

A. C. Price, Assistant Superintendent of County Charities, Los Angeles, referring to the work relief conducted by the county, said that 7000 men, heads of families, are working in the city and county parks in return for the relief given them. The county has an employment service which endeavors to secure work for men and women receiving county aid. When suitable employment can be found for men who are placed in the labor camps, they are given the other work.

Miss Winifred M. Hausam, Executive Director of the Bureau of Vocational Service in Los Angeles and the Pasadena Vocational Bureau, told of the emergency placement work for single unattached women, conducted by these bureaus. Through a committee of Los Angeles and Pasadena women, funds were raised to provide an emergency employment program. Last year some 3000 women were helped in Los Angeles with 55,000 hours of work. This year, in the ten weeks the bureau has been operating, 1000 women have been helped. In Pasadena, the fund has been less: 350 women have been put to work. Effort has been made to determine that the work shall not be in competition with other work opportunities. It has been largely clerical work needed by the social agencies.

In connection with work relief, Miss Hausam felt that if that is conducted carefully and intelligently, it is the most successful of all forms of relief:

* * * I have heard a great deal of criticism of emergency work programs throughout the country; but in studying various ones, I have become convinced that wherever the work was carefully and intelligently planned and carried out, it has been the most successful of all forms of relief. * * *

Of course, we came up against this problem immediately in our work. All the men and many of the women said, "You can't create jobs for women." We said, "We would like to take a try at it." The social agencies of Pasadena and Los Angeles have been greatly overworked. All the workers have been working hard. We knew there was plenty of work to be done, if money could be found to pay for it. Then we talked with the social agencies. They did not get the idea at first, but by and by they saw it as a great help. * * * We have been extremely careful to determine that this should be noncompetitive work. It has been largely clerical work needed to be done by the social agencies. However, we realize that is merely emergency

¹ See Exhibit 1 in Part II B.

work, merely temporary work; so we are not stopping there. We are working now on plans for the future. We know that we must study and look ahead to see what occupations are going to be overcrowded and where many opportunities may arise, and that some women will never go back to their former positions or former type of work. They will have to be readjusted occupationally, perhaps retrained.

In connection with our two bureaus we have an information and research service. We are inclined to think that our emergency work programs have been successful because they were based on information and research done by this service, carefully working out plans before we even began our work.

Mrs. Emma Shencup, social worker, Jewish Community Chest Agency, Los Angeles, urged that until some social adjustment can be made to provide everyone with a job, emergency relief must be provided and a public works program conducted to permit able-bodied men to support their families:

Many a man has said to me, "I think my family would fare better if I jumped in the ocean!" And it was said seriously as a way out, by men who are willing and able to work. Certainly these men are willing to work, and eager to work; and we ought to have some kind of an adjustment of labor. I am not an expert and can not say what kind of an adjustment, but until we have a chance for every man to hold a job, we must have some emergency relief and some public works program to give our citizens and the able-bodied men a chance to support their wives and children.

Seward C. Simons, Executive Director of the Pasadena Community Chest and Council of Social Agencies and Secretary of the Unemployment Commission, speaking of the emergency steps adopted by the Chest, said that effort has been made to expedite public works; that the city has advanced the schedule of work in the municipal light and water plants five years ahead for the purpose of providing immediate employment.

Since October 20, 1931, there has been expended in these two departments, \$25,000 a month in labor on purely work relief, he stated—work that would not otherwise have been done, and other work paid for by contributions from city and county employees. He said that they have placed about 1500 men for work periods of eleven days or more. They attempted to give all men needing work two weeks every two months but have not been able to do this.

He suggested that in connection with work relief, all work be placed through a single bureau or agency, and urged the importance of expediting the public works program.

Employment on public properties such as roads, streets, school buildings, beaches, parks and institutions, was recommended by the Social Agencies¹ of Santa Barbara County, as the best method of furnishing work relief. They reported that 666 needy families have been given work relief through the unemployment relief committee; that in addition, 170 single men with dependents have been provided employment in forestry camps; and that there are 567 resident families dependent upon the county, about half of whom are dependent because of unemployment.

J. H. Nishwitz, laborer, "representing a group of unemployed of San Bernardino," stated that his group considers work relief the preferable form of assistance. This, they held, should be paid at a reasonable wage to meet the needs of the persons receiving it. He pointed

¹ See Exhibit 4 in Part II B.

out that in San Bernardino some work relief has been furnished, the men being paid \$2 a day six days a month. While this is better than nothing, it has not gone very far, he said. The State, through public works, should supply sufficient employment to take care of the situation.

John L. Bacon, Chairman of the San Diego Branch of the President's Unemployment Stabilization Organization,¹ advocated as an emergency relief measure, a program of public works projects conducted jointly by the State and municipalities, on which a wage below the going rate should be paid. In this connection, he proposed a general survey in each locality to determine the various projects that would be of benefit to the community and the State, but which would not be undertaken under normal conditions or if regular wages were paid. Funds for supporting such work, he thought, might be provided by the State and the communities jointly, the State matching the funds raised locally:

* * * The suggestion for taking care of the local unemployment is this. In the first place, we must realize there are two classes—the man who is out of work, can not find employment, searches for it diligently, and wants it with every fiber of his being; and the man who wants just the opposite, will not take work which is offered to him. * * * To meet that situation, this is suggested: that a careful survey be made in each locality, preferably through the existing agencies rather than building up new machinery, of work which would not be done under ordinary conditions, and probably could not be done with labor at its regular salary. That should be carefully investigated and determined so as to be sure it will not interfere with normal employment. That work should be made available at, say, half of the ordinary wage, and made available to anyone. At this time I would say \$2 or \$2.50 per day. It is proposed that work be outlined which would not be done under ordinary conditions, and could not be considered under ordinary conditions, and would in nowise interfere with normal work, and that that should be open to anyone who is out of a job and who needs assistance and must have assistance; and those people can come there, and without question, be given that employment. The suggestion was made that it be at approximately half of the going wage. I know men and women in this town who would work for anything. That, of course, should not be taken advantage of by the normal employer. This plan would enable a man to save his self-respect if he could come to the city or county and the work would be available at any time. * * * This is for meeting unemployment in times of stress.

Jerome B. Pendleton, Executive Secretary of the San Diego County Welfare Commission, referring to the action taken by his commission, stated that in January, 1931, they started a work relief program for able-bodied men, allowing them \$4 a day payable in grocery orders.

Mrs. Aileen M. Cory, Employment Secretary of the Young Women's Christian Association, San Diego, told the efforts the Association is making through the free employment bureau to assist unemployed women in securing work.

Mrs. Martha C. Novak, dressmaker, representing the San Diego Unemployed Council, related her experiences with the public relief agencies. She felt that in the matter of work relief, payment should be made in money instead of grocery orders so that persons could purchase what they need:

I may be wrong, but we all have a right to say what we think will help the commission. I feel if a person is given three days a week at either seven, six or

¹ See Exhibit 10 in Part II B.

eight hours, at \$5 a day—I don't know how many they put on at one time, 500 or 1000—but if they could give three days this week for this family and three days the same week for the other family, which would put more people back to work, that money they could spend and it would help the grocers, etc. Of course when they work in the park they get the grocery scrip; but I have been barred from it because my husband and I did not accept a position for room, board and working clothes and no money to pay my insurance that I have kept up for years. I was told by the County Welfare [Department] that I should give up my insurance on my life [that] I have been paying for years, so my husband could get a few days' work in the park with scrip. We call it scrip.

The need for public works was suggested by George Henry Little, Chaplain at Newton Home, San Diego.

F. B. Andrews, attorney, San Diego, felt that public works should be available at all times so that when a man is out of employment he can get work on these projects at a lower wage than the going rate, but sufficient to meet the cost of living until he can resume his regular occupation:

I have thought for years that it is a crime not to have public works existing at all times in this country; so that when a man is out of employment, other than his regular employment, or has lost it, that he can go there and get a meager wage. And it has always been my idea of, say \$2 a day, when nothing else is available to him, so that the government will keep him from starving by giving him a meager wage to make a living until he can do better and resume his other occupation. That I feel is the simple duty of the government.

Frank C. MacDonald, President of the State Building Trades Council of California, urged that on all public works intended to furnish unemployment relief, the wages should be the best possible wages that can be given commensurate with the funds available:

We believe that the fundamental thought that must be carried at all times in dealing with relief is the need of the unemployed. We know that every normal man and woman in the unemployed army would prefer to work for wages—they do not want to be forced into a position of having to accept charity; and the normal American citizen will not regard working, doing useful labor for the municipality or the State or any of its political subdivisions, as charity.

The Family Relief Society¹ of San Francisco recommended that public works be carried on at all times, without change during periods of business depression; the abolition of the contract system on State work; and the performance of such work on a weekly wage.

Martin Wise, unemployed machinist, San Francisco, suggested as possible relief work that could be conducted in the city, the improvement of playgrounds and cleaning out vacant lots.

The Young Women's Christian Association² of San Francisco recommended work relief projects such as those suggested by the Russell Sage Foundation studies.

C. M. Wollenberg, Director of Unemployment Relief, San Francisco, reported that a work relief program was started in the city in the winter of 1930. They had 1400 men with families the first of November, 1930. This rose to 2400 by February 1, 1931, and to nearly 9000 families by March of the present year. It was at first intended to pay the men \$5 a day, but the funds were inadequate.

¹ See Exhibit 15 in Part II B.

² See Exhibit 13 in Part II B.

George T. Baker, representing the San Francisco Citizen's Relief Association, told of his personal experiences¹ with work relief furnished by the welfare agencies. He said he was sent to the beach to work in an open truck and because he did not report for work on Monday on account of illness, his box of groceries was not sent the following day. He objected to the work test for heads of dependent families and complained that he was obliged to cut down on the lunch for his son who is attending high school.

P. Somers, unemployed bookkeeper and accountant, San Francisco, in a letter dated April 30, 1932, recommended a building program for the unemployed. In this connection, he suggested that the State should obtain land and building materials for the construction of homes for the unemployed, all work to be performed by unemployed men.

E. W. Williams, Secretary of the Oakland Community Chest, referring to work relief in the county, stated that arrangements are being made at the present time for road work for heads of families who are able to work. They are to be given four days work a week once in every four weeks at \$4 a day or \$16 a month.

C. J. Struble, Chairman of the Mayor's Unemployment Committee of Oakland, related the efforts of his committee to secure work for the unemployed. He stated that around 12,000 unemployed persons, mainly men, registered for work. A drive was made to secure as many days' work as possible during the four-month period, November, 1931, through February, 1932. For common labor, a minimum wage of 50 cents an hour was established, with the understanding that in the case of skilled workers, the regular rate would be paid. A committee of about 600 citizens was enlisted in the campaign to secure employment. In spite of all the efforts made, however, it was possible to find jobs for only about 2000 of the 12,000 registered. In some cases, the work was more or less permanent; in other cases, however, it represented only half a day. In all, about 65,000 days' work were secured. In allotting the work, attempt was made to distribute it to the persons in greatest need.

In addition to the jobs secured by the committee, the city has been employing men throughout the winter months at various kinds of work, chiefly sewer construction. Men are also being employed on the new tunnel road. Some work was secured through the American Legion Drive.

Mrs. Beulah Spunn, Executive Secretary of the Alameda City Social Service Board, said that they have men at the present time working for the county, receiving \$24 a month for six days' work, and that this is the only income for a man and wife and one or two children. The employment office in the City Hall, she stated, is carrying between 400 and 500 families. They rotate the work, giving to the heads of the largest families about four days' work every four weeks, representing about \$16.

Mrs. George Eccles, Secretary of the Mayor's Unemployment Committee, Oakland, interpreted the registration figures collected by the committee. She stated that to date 13,000 unemployed have registered with the committee; that of this number 9000 are married men, citi-

¹ In reply to the criticism of the welfare agencies see testimony of C. M. Wollenberg, pp. 21-23.

zens, taxpayers and single men; that 900 are aliens and nonresidents; that 68 per cent of those registered are men with families; and that 431 trades and occupations are represented by the men and women enrolled with the Bureau. The occupations include machinists, carpenters, laborers, railroad men, engineers, office and professional workers. She stated that during the four months' period of the work relief campaign, they placed an average of twenty-seven persons a day:

Question by Commissioner Cushing

Q. What means did you use to stimulate interest on the part of people who wished to employ some of these people?

A. Through the initiation of a campaign by the Chamber of Commerce. A corps of about one thousand workers was sent to the industrial sections of the city, the residential sections, the down town sections and outlying districts, asking people to give a certain amount of hours a day, a certain amount of days' work for a period of four months; that is, one day's work a month—stressing the fact that we did not want money, that we realized what the people wanted was work, and if they had the money they could in some way create the work themselves, and pay for it, and what we wanted was work. The campaign lasted for three weeks, and resulted in some 30,000 days' work promised, which was to be stretched over a period of four months.

The result from that, as I say, was fifty per cent of the number of jobs that we have up to date been able to secure. The other fifty per cent came as a result of publicity given and the constant letting it be known that at the City Hall the unemployment committee was waiting for calls and our slogan was, "Call Lakeside 6300 for any kind of work any time"; and we said that they could count on not having just anyone go on the job, that we would see that the sort of person they wanted would be sent.

When the intensive campaign ended, we asked the daily papers and press to still back us; and with the list we had gathered, we phoned them again—when the time they had promised to help had come to an end—asking if they would continue that, and if they would be responsible for one other person doing that.

Questions by Commissioner French

Q. Did you have anything to do—that is your committee—with the furnishing of relief, or merely providing employment as best you could?

A. Last year the Mayor's Committee had the relief, that is, it tried to coordinate the relief agencies, and would direct relief to the proper sources, but this year we handled only the distribution of what work came in as a result of solicitation.

Q. Perhaps you told us, but I don't remember, do you know how many children were concerned in this registration, that is, how many heads of families were represented and how many children and other dependents, representing so many individuals altogether?

A. It was 8605 men with children ranging from one to ten.

Q. But you don't know approximately how many children?

A. No, we have always taken it on the basis of the average family being five—father, mother and three children.

H. D. Maynard, member of the Social Service Board of the City of Alameda, referring to the work relief program, stated that they have furnished around 8400 days of work at \$4 a day since the early part of November, 1931; and that the work at which the men had been employed includes street work, painting hydrants, bus stops, and the base of electric light posts, also work in the municipal wood yards. They have registered at the present time, he said, 1164 persons, of which number 1060 are men and 104 women. During February, 580 men were given work.

Z. S. Leymel, Mayor of Fresno, explained the action taken in that city for relief:

Mr. Vincenz, our Commissioner of Public Works, managed to provide a little work for some individuals, not many, through the laying of pipes in his department. There wasn't a great deal of that and funds were not available for extending the work, which we would like to have done. The only big project we had was the Belmont Subway out in the northern part of town. That provided for 40 or 50 men. That will run another month or so, and I don't know anything at the present time that will take its place. We had hoped conditions might adjust themselves in such a way that it would be possible to initiate some sort of building program that is bound to be necessary in the next three of four years, and perhaps have it going now; but so far things haven't shaped themselves up so we could go ahead with that.

J. L. Vincenz, Commissioner of Public Works, Fresno, said they had given employment to over 200 persons by staggering work in the water department. He advocated assistance through work relief wherever possible in place of direct relief, stating that nearly all who come to the Welfare Department and Community Chest for aid want jobs rather than charity:

In the County Welfare Director's report, Mr. Ledbetter stated this afternoon that they had used some of the money for cropping trees, paying the men who did that work with grocery orders. I have felt, as a number of others of this community have felt, that if more of that were done, instead of outright donations, that we would all be better off. Nearly all who have to go to the Welfare Department and the Community Chest for aid are really wanting jobs. When that money is given to them, if they were allowed to do some useful work in return for that, it would help them keep their self-respect. I wish we could work out some plan of that kind in this county. Possibly in your report and the findings you may make, you may be able to suggest something that will enable us to carry it out.

S. A. Ledbetter, Director of Public Welfare of the County of Fresno, stated that some work relief was conducted for the unemployed and that men who were out of work were employed at tree cropping and river cleaning. They received no money but were given grocery orders. No assistance was given to single men unless they were ill or there was an emergency problem.

Gerald H. Catania, representing the West Fresno Unemployment Committee, advocated, as an emergency measure, employing men at hand work on construction jobs instead of using labor-saving machinery. This was on the ground that it would be better to give a job to men instead of having them in the soup line.

Rev. James G. Dowling, Catholic Welfare Society, Fresno, referring to the relief situation, said that families in the county have been asked to live on \$4 a week this past winter, representing the work relief given by the County Welfare Department, two days' work a week at \$2 a day.

Hubert Phillips, Professor of Social Science of the Fresno State Teachers College, questioned whether a building program is a solution of the problem of unemployment relief:

I don't have any confidence myself in a building program as a solution of the unemployment problem. I approved of the bond issue, but for different reasons. I don't believe it is a wise thing to embark on a building program from the standpoint of relief. I approved of the building program because it was a good time to do it. You have not only a capital expense, but a maintenance program, so that I see that as no way.

W. P. Graham, Secretary of the Culinary Workers' Union, Local 62, Fresno, representing the Fresno Labor Council, said with regard to a public works program, that while his organization feels that public works is a good plan, the money has to come out of taxes. They also realize that it is almost impossible to get a bond issue passed at the present time.

Samuel S. White, Editor and Manager of the Kern County Union Labor Journal, representing the Kern County Labor Council,¹ said that a local committee raised \$70,000 in pledges for work relief. This was made up largely from contributions of employees who pledged one day's pay a month. The labor groups recommend that men should be paid 50 cents an hour on made-work, working part time; instead, he said, they were put to work six days a week at \$1.75 a day. This did not enable a man with a family to meet the cost of living, so that it was necessary for the county to give food orders. He stated that some men are still working. He thought that payment for this work came from the relief fund:

A local committee, headed by a popular daily paper, went out and raised—they had a goal of \$50,000. They raised actually \$70,000 in pledges. They did that on the theory that every man employed in work should give one day's pay a month. Among the city and county employees they formed an organization which would give a day's pay. In the case of one utility the men were told what to fill in. In others they did not say what the men and women should fill in, and in those cases they did not get their quota. However, they raised more than enough.

Labor split with this group when they put men to work at \$1.75 a day on made-work. Much was work done in previous years by private individuals, such as cleaning up ranches. We argued they should put men to work at 50 cents an hour and cut the number of hours. They put them to work six days a week at \$1.75 a day; and we wanted them to work at 50 cents an hour, the number of hours to make up \$10 a week, in order that the pay and work might be equalized.

That is very important, because under that system we find that the day laborer has had his wages cut to free labor, and that is one thing we want to cut out in connection with public works. You pay \$2.50 for digging a ditch. Immediately you set the wages at \$2.50, every employer of free labor cuts his to meet that. He says, "If you don't like it, go to the county." We have had very much trouble with that. That is why we wanted the wage held to 50 cents an hour, which is still 12½ cents below the scale for that work.

The City Manager told me there 660 men working. I couldn't say these were all families, because some of them are single men. They made no distinction, although they tried to give the work to those that had the biggest number of children. You will realize that not very many men are willing to work for \$1.75 a day because if you have five or six children that will not cover the cost of your food. The county had to recognize that eventually by giving them food orders. I am not able to state how much money the county and city have donated for county welfare work. You are almost forced to pauperize yourself before you can get aid from the county.

F. L. Strong, Registrar, Welfare Department of San Joaquin County, said that they have to limit relief for resident families mainly to those where there is no man in the family able to do any work. Some work relief has been conducted. The results, according to Mr. Strong, were not very satisfactory:

Questions by Commissioner Cushing

Q. Do you extend your relief in the form of money or food orders?

A. In the form of food orders and clothing. Our auditor will not allow us to give any money out.

¹ See Exhibit 20 in Part II B.

Q. What kind of employment did you get in exchange for the relief you gave?

A. Well, I couldn't say much for it. We sent them out with the Horticultural and Highway Maintenance Departments; and some of the men were good workers and some of them would just put in the time. We figured the work at \$3 a day, which was the standard wage scale set by the county under the new law, and we gave them groceries according to the days' work they put in.

Q. Did you have to stagger the work so an applicant would work a limited number of days for enough groceries to carry him for a certain period?

A. Yes, that was the idea to do it that way.

Q. You didn't undertake to give full time employment?

A. No, we couldn't. That was attended to through the Citizens Unemployment Committee.

Mrs. E. C. Stewart, Chairman, American Red Cross, Stockton, in charge of the Division of Relief of the Citizens Employment Council, explained the registration of the unemployed in connection with the work relief program. She said that they had 1726 persons registered last year and they have 2672 registered this year. Of this number, 1323 are men with families, the average number in the family being six. There were 995 single men and 154 women.

They tried to discourage the registration of women, she said, because of the difficulty of securing employment for them. The only type of work they could get was domestic service; and owing to the depression, there are many less opportunities for work in families than formerly. They did not register anyone who had resided in the county for less than one year. If they felt that a man could get along without help, they discouraged him from registering at all.

Some of the work relief was furnished by the city. On this work, the men were paid \$4 a day. The Council tried to select men for this work who had a large number of dependents. On other work, \$18 a week was paid. In cases where this amount was insufficient for the family for a month, it was supplemented by supplies from their commissary.

W. H. Falconbury, Citizens Employment Council, Stockton, told about the work relief furnished through the efforts of the Council. He said that nearly all the money they had expended during the past year had gone to furnishing employment:

We went on the theory that we didn't want to give charity, but did want to furnish labor. The total amount of money expended was \$105,071.69. With the exception of \$7,776, all of that was spent in labor.

Now it is difficult to find employment for men in the winter time, but the city and county furnished employment for the men on the streets and in the parks, and perhaps we didn't get 100 per cent return, but we did get some return for the amount of money expended.

I would like to give you one interesting thing about our expenses. The total amount of office expense in the disbursement of this \$105,071.69 was \$702.18—all the work was donated. In actual relief work there was only \$5,368.64, and the administration expenses were \$1,605.25.

The city of Stockton appropriated \$30,000 in two items of \$15,000 each. We thought \$15,000 would be sufficient, and we found it was not, and they donated an additional \$15,000. We didn't get a direct donation from the county, but the county engineer furnished labor—we sent the labor out, and they paid the wages to the amount of \$18,000, and the Citizens Employment Council raised, through the Community Chest and benefits and contributions, \$45,000. This \$45,000 was used in paying wages on public works instead of giving the money.

* * * We found when the jobs were all used up, there was still a large number of men who had to have relief. We arranged with the city to furnish a

place where there is quite a large mound of dirt that had to be moved. We would give a man a half day's or a day's work to go and move this dirt, and then pay him for the work that had to be done in any event.

Questions by Commissioner French

Q. Does the city of Stockton have the Community Chest as well as your organization, the Citizens Employment Council?

A. Yes, sir. The Community Chest is just what the name implies—they collect the funds and distribute them to the various agencies.

Q. So your organization is one of the relief agencies?

A. Well, it's really an employment council; but that is really the same as if we gave them money for relief. The difference between the Welfare Department and our committee is that they didn't have to work for the relief they got from Mr. Strong unless they wanted to. Under the state law they can't be compelled to work; but under our plan, they had to work in return for their aid. Our plan was to give them one week's work out of four weeks, and we paid cash—\$18 for one week's work.

Mary Judge, Registrar, Department of Social Service, Sacramento County, recommended a work relief program to permit the heads of families to earn enough at least to pay the rent and the gas and light bills:

Question by Commissioner French

Q. Was any work provided for the men?

A. Not this year, no—very little. The single men had to work for their meals, and things like that. The city did provide some work in cleaning up lots and so forth and paid for that work with orders and things like that, but it wasn't so satisfactory. I think we should devise ways and means to give a certain amount of work so they could pay their rent and their own lights and gas—say \$2.50 or \$3 a day. It would make them independent.

W. B. Jenkins, Manager of the Sacramento Community Chest, felt that the best method of furnishing unemployment relief is through a work program. On account of the expense of such a program and on account of the case load which is being carried, he recognized that direct relief with thorough case record check and local nonremunerative work requirement may be the necessary arrangement.

George F. Mitchell, locksmith, representing the Unemployed Council, Sacramento, felt that as a means of temporary assistance, an extensive program of public works would help, if undertaken immediately.

J. S. Dean, City Manager of Sacramento, expressed the opinion that money spent from the public treasury for made work distinct from legitimate work which should be done in any case, is merely postponing recovery from the depression. He explained the action taken by the City of Sacramento in connection with work relief:

* * * The city has helped in providing work for the work test and in giving supervision to that. We supplied all the wood and organized what to us was a very interesting thing, a clean-up program, cleaning up all vacant lots and a great many of the objectionable spots of the city, and this work was of more interest than sawing wood to a great many men. We were unable to take care of any more than a very small portion of men in this way, however.

* * * I am further convinced that the more we spend out of the public treasury in any attempt to make work, other than the perfectly legitimate work that should and can be done with the funds at hand, simply increases and puts off farther the return to normalcy.

TYPE OF APPLICANTS—WHITE-COLLAR WORKERS, WOMEN

The situation emphasized by many of the speakers in discussing relief is the change in the type of applicants within recent months. White-collar workers, women who have held office and clerical positions, and home owners, it was stated, are coming to the relief agencies in increasing numbers. They have exhausted all of their resources, used up their savings and insurance policies, and mortgaged or sold whatever property they possessed before they could bring themselves to ask for assistance. The opinion expressed by officials from some of the welfare organizations was that even if conditions are improved, the pressure from applicants of this type will continue for several years.

Because of their reluctance to accept charity, they present one of the most serious problems with which the agencies have to deal. This is particularly the case with women of the white-collar type. It was stated that they would go to almost any length before they would ask for relief.

Miss Winifred M. Hausam, Executive Director of the Bureau of Vocational Service in Los Angeles and the Pasadena Vocational Bureau, said that the type of girls that come to the bureaus would refuse charity. They are actually undernourished, she stated. She cited instances of the privations they put up with, mentioning the case of a girl who lived for three days on a cup of rice and another who tried to live on peanut butter:

* * * We found that the type of girls and women that come to our bureaus not only resented, but refused charity; * * * They would break down in our inner office and say, "I would rather starve than accept charity." But when we worked out the work program and offered them jobs, they were more than happy to accept help in that way.

Jerome B. Pendleton, Executive Secretary of the San Diego County Welfare Commission, referring to the situation said:

* * * We are finding that the applications for aid for the younger men and women are increasing to an alarming degree. The applicants include men who are able-bodied and who are young, and ordinarily would scorn coming to a public agency for aid. Now, something must be provided for those young able-bodied men and women to be taken care of * * *

Question by Commissioner Splivalo

Q. You said men and women. I am interested in the women.

A. Yes. I don't know just exactly what program might be developed for the women, but they must be taken care of as well as the men. We are having more women coming to us all the time, just as we have shown here today, women who have been in office work and in various capacities throughout the county.

Mrs. Aileen M. Cory, Employment Secretary of the Young Women's Christian Association, San Diego, said that the number of women applying to the free employment bureau conducted by the Association is increasing; that in a single month they had 717 applicants, and that 232 secured employment. Most of the positions were in domestic service as it is very difficult to find other work for women at the present time:

Question by Commissioner Cushing

Q. Is the situation getting worse or better?

A. There are more positions coming in. We are getting more work but we are also getting more women.

Miss Eleanor Copenhaver, Industrial Secretary for the National Board of the Young Women's Christian Association, speaking of a report recently made by the Association on the problems of the homeless working woman, stated that up to the present time women of the white-collar type have been going into domestic service at a lower wage and lower social status, rather than appeal to charity; that now, however, due to the duration and extent of unemployment, they are becoming a larger relief problem and create a serious situation. Women of this group, she said, are more apt than men to be undernourished, because they use what little money they have for rent rather than face eviction, and for clothing, to keep up appearances. She felt that these women require special treatment and recommended a central planning council under State guidance to care for this group:

Many girls who had relatively little trouble at first, have drifted along, appealing to the churches a little at first, or to friends, until now their cases are so aggravated that they require long or costly treatment.

The term "lone" applies especially to this group, because they have not herded together in most States, as have the unemployed men * * *

* * * In all cities it is recognized that they require a different kind of treatment from family units. In nearly every city it was felt that the nonresidents should be sent out of the State, but until this could be verified, they were given the same emergency care that was provided for other women.

It was found that, generally speaking, the existing agencies were willing to expand their programs to meet this group, but that now they are hesitating to take this responsibility for the future. A growing feeling over the country was reported that special relief—public funds—should be used for special emergency relief, and that private funds should be used for the continuous support of the already existing agencies. The recommendations made by this report are that there must be a central planning council to care for this group, and if possible, this council should be under State guidance. Individual organizations can expand their programs, but with such a crisis as these women present, it has been found impossible for any one organization to solve the problem alone; so we need a nonsectarian group, which will clear the field, decide which agencies shall care for each group, decide how money shall be allocated, and which will set up standards and clear on the names for the whole State.

C. M. Wollenberg, Director of Unemployment Relief, San Francisco, said that one-third of the families now coming to the relief agencies own an equity in a home, which equity two or three years ago may have been large but now has almost completely disappeared:

* * * The type of man who is coming to us is entirely changed in the last eight months—in the last three months even there has been a great change. One-third of them that come in for relief own an equity in a home—that equity might have been large two or three years ago, but they have gradually eaten up the home, eaten up their savings, and now they are forced to ask for relief. They are the type of citizens indicated by the fact that they are home builders and home owners, and now they are facing the loss of that property and everything.

Ira B. Cross, Professor of Economics, University of California, referring to emergency work for the white-collar type of unemployed, said that in times like the present persons who are unable to secure

employment in their regular occupations would have to turn to any kind of work that is offered them:

* * * In these times, though, we cannot be choosers. We have got to take what is given to us. If we are printers we have to work at pick and shovel. Some of our teachers are being discharged and are doing anything. They are driving tractors or pulling weeds along the boulevards, or anything. The same thing is true in the case of the skilled workers. Under a scheme of unemployment insurance one has to be careful that a man does not stand off and say, "I will not take the job that is offered to me because it is not in my line." That is one of our problems of unemployment insurance. A fellow wants to work in his craft. When it comes to today, it is a case of taking whatever comes to him, and most men are willing.

In the case of stenographers, it is a problem. Many of them can go back into their homes. Many of them do come from fairly well to do families that have an income, and many of our stenographers can go back to their families. There are, however, stenographers that have no family to go to. We can not find domestic service for them. We can not find clerking for them. We can not put them all to work typing out statements in our charity boards. Our white-collar employees are exceedingly hard to take care of.

E. W. Williams, Secretary of the Oakland Community Chest, stated that the demand for relief is increasing and at the present time is coming from the white-collar class:

Question by Commissioner Cushing

Q. Is the demand for relief diminishing?

A. No, it is increasing; but it seems to be at this time what we call for want of a better name, the white-collar man, the clerk who worked in a bank or store. Many have hypothecated their life insurance policies. Many have sold their furniture. There are many more of those coming every day that have not applied before. I would not say in great numbers, but more than before. They seem to be increasing.

Question by Commissioner Splivalo

Q. Do you feel that even with a turn in the tide for better days that you would be getting the back wash of this for the next two years, at least?

A. The next five years, we figure.

J. L. Vincenz, Commissioner of Public Works, Fresno, urged that consideration should be given to the problem of the white-collar worker:

* * * I hope you can, when you make your report, make some mention of a suggestion for the man who has been in a white-collar job, who has been a clerk, a bookkeeper, or a salesman, possibly a salesman in a store, who is not capable of getting out and doing heavy manual labor. There is a problem which our Community Chest and Welfare Department has had to meet, which we have found very difficult, and I hope you will find, in the course of your investigation, something that you can report in their behalf.

Mrs. E. C. Stewart, Chairman, American Red Cross, Stockton, in charge of the Division of Relief of the Citizens Employment Council, said that many of the applicants for work relief were home owners who were obliged to ask for assistance because of unemployment. The majority of the men who registered, she said, were thoroughly respectable worth while citizens who deserved much better than they received. She felt that next year the demand for assistance would be larger even than at present as more people will have reached the end of their resources:

Question by Commissioner Cushing

Q. Would you agree with Mr. Strong and Mr. Falconbury that a larger demand is anticipated this winter than last?

A. Yes, and I think one of the reasons for this increase is, as we hear many men tell us, "Last winter I had a little in the bank, and I managed to keep away from asking for charity, but now everything is used up."

J. Lubin, Personnel Manager of the Red River Lumber Company, Westwood, speaking of the men who have come to the lumber towns looking for jobs, said that they are not hoboes, but workmen, in many cases skilled workmen, mechanics; and they are willing to take any kind of employment.

W. B. Jenkins, Manager of the Sacramento Community Chest, stated that during the past ninety days, white-collar workers are coming to the agencies in increasing numbers:

Question by Commissioner Cushing

Q. Do you find that families are coming in for relief because of exhaustion of their own resources?

A. Yes, I would say that in the last ninety days it has proved that the white-collar class is coming in in greater numbers than before; and I think one of the primary causes is that our canneries have generally started operating early in the spring and this year they have not, and neither has the fleet taken out as many as in the past.

RENTS AND EVICTIONS

In several counties, according to the testimony presented, the relief agencies are unable to meet the rents of families receiving assistance, and evictions are increasing. In some cases, it was reported, the welfare agencies advance one week's rent and move the families to a new place after the sheriff's notice has been received. The process is repeated after the families are again evicted for nonpayment of rent. This practice, which is due to lack of funds for relief work, is the subject of much criticism, both on the ground of unfairness to the landlords and the hardships to which the evicted families are subjected.

It was reported that in some instances, families that are unable to pay rent are living in tents or in condemned shacks on the outskirts of the towns. While these are largely migratory families, it was stated that some resident families are living in this way.

Seward C. Simons, Executive Director of the Pasadena Community Chest and Council of Social Agencies, and Secretary of the Unemployment Commission, said that under the stress of the present time, it has been very difficult to maintain rent allowances:

* * * All the welfare agencies in California and throughout the United States have had, much to their regret, to fail to pay rent allowances where they would like to do so. We do pay some rents, especially where the landlord needs it about as bad as the tenant. We are not, however, able to pay all rents; but some rents are allowed where, as I said, the landlord would otherwise be a burden on the community, too.

Martin F. Blank,¹ unemployed printer, San Francisco, relating his experiences, told how, after his family had received notice of eviction, he had gone to the Associated Charities² for assistance and was instructed to wait until the sheriff's notice was received, then to bring that notice to the Associated Charities' office and they would give him one week's rent to pay another landlord. He said that when he protested about "dead beating" the landlord in this way, he was told that,

¹ See Exhibit 2 in Part II A.

² See note, p. 71.

"Beggars should not be choosers." He felt that this practice of making families move to avoid paying rent, and instructing them to deceive the landlords, is teaching the children in the families to be untruthful and dishonest.

Mrs. Mildred Olsen,¹ housewife, member of the Unemployed Council, San Francisco, said that when she applied to the Associated Charities² for aid, she had been unable to secure sufficient food for her children or money for payment of the rent and gas bills until she obtained the assistance of the Unemployed Council; that when the Unemployed Council took up her case with the Associated Charities,² that organization paid the bills in question and gave more adequate food:

The next week I was facing eviction. I presented my notice to the party at the Associated Charities. "It has no gold seal." "My landlady is a widow and has one vacancy and two places she is receiving no rent [for from] such families as myself; so she has been willing enough to trust us to the extent of letting us stay there so long without paying rent that her patience was kind of worn out and she couldn't wait much longer, and taxes were due." ["But you do not pay the taxes," she said.] I explained to her, "I am not paying taxes, I am paying rent; but we are not in a position to pay any rent. We had to get out. We had the convenience of having a roof over our head." "She might as well [let you stay as] have it empty." Because there was no gold seal on the eviction I could stay until I was put on the street. In other words, the landlady, being a widow, she couldn't afford a gold seal. Until she would throw us on the street, I would just owe her that rent.

Question by Commissioner Splivalo

Q. What is the gold seal?

A. The sheriff's notice. If the Associated Charities² paid my rent to move to another place for a week, I could go galivanting around and pay rent for one week, or I could stay in one place until I got the bounce again. Then I would give the impression I was a "dead beat" and raise my children in that environment. The children get wise. Children are more advanced now than they used to be fifty years ago. I stated the case and she said, "Well, you can stay there another three days." I said, "Another three days don't bring me any better results." "Well, you get a gold seal, then we will see what we can do." * * *

The following week the Unemployed Council and myself and a few other families presented ourselves to the Associated Charities.² That is the time our two leaders were arrested because the Committee demanded that we be given relief. We could go hungry; we could live in basements and skirmish in ash cans and our children go hungry; but by organized pressure we got our demands met. I got \$20 rent in advance, without moving, and our gas and electric bill was paid * * *

C. M. Wollenberg, Director of Unemployment Relief, San Francisco, in describing the assistance given to families, stated that the funds available do not permit paying the rent. He admitted that the relief agencies are placing the housing burden for dependent families on the landlord. They give the families one week's rent and arrange to move them when they receive notice of eviction, and then repeat this procedure if in a month or two the family is again evicted. He said it is a vicious process due entirely to lack of funds. Some provision for rent is included in next year's budget, he stated, but it is not sufficient to meet the entire situation. To do that for the families now being carried by the agencies would mean \$800,000 additional funds:

* * * We are not able, with the funds at hand, to meet the rent problem, and we are deliberately buncoing the landlords by shifting the housing burden to the

¹ See Exhibit 3 in Part II A.

² In reply to criticism of the Associated Charities see statement by C. M. Wollenberg, pp. 21-23.

owners of small property. The money on hand does not permit anything else. I think the problem that faces San Francisco is to provide adequate funds for relief for the next year; and with the condition of real estate and real estate meeting the entire burden, I do not know how San Francisco is going to do it. * * *

Questions by Commissioner Cushing

Q. With respect to landlords; it is not fair to the landlord to refuse to pay rent and send those in need to another landlord to impose on him. I think we will all agree on that.

A. Absolutely.

Q. Is that done because of a lack of money?

A. Yes. I think we need \$800,000 to meet the rent bill of those who are on our hands today.

Q. There should be \$800,000 additional funds in San Francisco?

A. Absolutely.

Q. Then our problem for the coming winter, as far as relief is concerned, is the problem of money?

A. Yes, a problem of money; but more important, as far as keeping up the morale of these thousands of decent men—the highest types of American citizens—is to find them, if possible, the means of earning their rent. They want that, and if we could create some sort of construction work—hand work—within fifty miles of San Francisco, where we could transport men at a low cost, it would be the solving of the rent problem.

Questions by Commissioner Bauer

Q. As to the rents paid to the landlords, what are they charging for rents?

A. It is hard to say. A woman might be housed in a single room, paying \$5, \$6 or \$8 a month, while a family of five or six may be paying up to \$20 or \$25 a month. It varies from \$5 up. We had 461 evictions in the last week of March.

Q. Would the rents paid the landlords exceed the taxes paid by them?

A. Well, I doubt it in many instances. I know many landlords—for instance, a man who has a small flat, and has a tenant who is not paying rent, and he is not receiving enough rent during the year to pay his taxes.

Q. Are there some landlords willing to donate their houses?

A. Some landlords are carrying old tenants, in the hope that that man, who has been a tenant for many years, will eventually get on his feet, and then pay his back rent. Many of the landlords do not think it right that we allow people to move instead of paying a month's rent with them, because they feel that that family who owes perhaps several months rent, if they move they will often forget the rent; but if they stay there, they will most likely pay the back rent if the head of the family gets work and is able to pay it.

Question by Commissioner French

Q. You referred to the change in location of unemployed men as buncoing the landlord. Does the unemployed man look around for another location, or does the relief agency give him an indication where to go, or what happens?

A. The unemployed man looks around. We give him sufficient money to pay a week's rent. He does not say he is on the charity list; and that is the process of buncoing. He does not say, "That's all I have; after this, you'll have difficulty in getting the rent." We give him the money to pay the first week's rent only.

Question by Commissioner Bauer

Q. In case of city money that is given to landlords for rent monies, do you have any check on the amount charged by the landlords?

A. Yes, because we see the rent receipt for that person. We make the allowance for that person according to the size of the family. We know they have been dispossessed, that they are going to be on the street at two o'clock, a man, wife and three, four or five children, whatever it might be. We estimate the maximum amount they will have to pay, and we tell him: "Find a place you can move to and we will send a truck or a moving van and move you;" but if he makes the arrangements and gets enough to pay his own rent, and then if in a month or so he is put out, we go through the same process again. It is a vicious process, and due entirely to lack of funds.

S. A. Ledbetter, Director of Public Welfare of the County of Fresno, replying to a question from Commissioner French, explained the practice of the department in dealing with the rent situation:

That is a very touchy proposition. It is a hard proposition. We have paid a great deal of rent. I find that very often a landlord will connive with our client that we are helping, or maybe with somebody we are not helping, and give him a three days' notice to get out, and they come down to my place and show me that notice. They say, "I have got to pay my rent or get out." The county has a number of houses, and I generally tell them, "Well, I am not going to see you thrown out that way; I will give you one of these county houses and you can move in it." They look at the house and they do not like it very much, and some old maid aunt or someone sends them a check and they stay on where they are a great deal of the time. I think in the past we have been imposed on in that way. A lot of people can not pay their rent, it is true; but neither can a lot of business men in town. Some of them have not paid their rent in six months. If we were to pay everybody's rent who asked us to do it, we would have to shut down in two weeks. I believe it would take the whole thing. We have not paid all of the rent that people have asked us to pay, and there is no one sitting out in the streets that I know of. I have two or three houses that belong to the county. If anybody is about to be thrown out they can move in and it will not cost them any rent. That is a hard proposition that we have to deal with—the rent business. It is hard to pay. I do not like to pay it myself.

Question by Commissioner Cushing

Q. Then there must be a good many landlords carrying tenants who are in arrears in their rent?

A. Yes, there are quite a few of them.

Charles A. Anger, representing the Community Chest¹ of Fresno City, stated that the rent situation is very serious and that they have had a number of evictions:

* * * We have a great number of people who own homes that are having unemployed people living in them and they have been carrying these people during the winter, the tenant off and on paying two or three weeks and possibly a month's rent. But the owner is reaching the point now where he can not afford to carry the tenant any longer; and I think the rent situation is reaching a very acute point right at the present time. We have any number of families actually put out in the street and we have them come to us.

Questions by Commissioner Bauer

Q. Is there any disposition on the part of the landlords that they would prefer to have their houses remain vacant rather than to have them occupied by unemployed who are unable to pay rent?

A. Well, I have had a little of both. I would say yes to that more than anything else, because if a house is vacant there is a chance to rent it to someone that has money. I would say yes.

Q. How many vacant dwellings have you in the city?

A. I could not answer that.

Q. Are there a great number?

A. There are quite a few, especially in the smaller, cheaper houses.

Q. Then it would be impossible for the landlords to rent all the houses at this time?

A. Yes, sir.

Q. So that some of them must remain vacant?

A. Yes.

Q. Has there been any effort made to get landlords to donate their houses as part of the relief program?

A. No, we have not done anything like that in the city.

Q. Do you not think that might help?

¹ See Exhibit 21 in Part II B.

A. Well, of course, I will say this, that the landlord is the man we go to for Community Chest subscriptions and the man we go to for tickets for benefits, and I am afraid we are going a little too far if we ask him to donate his houses.

F. L. Strong, Registrar, County Welfare Department of San Joaquin, speaking of the relief for the unemployed, said that they have tried in some cases to help with the rent but have not been able to do much. He said that some families who have been evicted for nonpayment of rent are living in little shanties on the outskirts of the towns:

* * * We are paying very little rent, lights and water. There have been several evictions, and there will be more; and until our new budget comes in, in July, there will be very close pickings in our district.

Question by Commissioner Cushing

Q. You spoke of people being evicted for failure to pay their rent. What happens when a family is evicted; what do they do then?

A. Some move into little shacks on the edge of town where they get lower rent, and we have helped wherever we could possibly see our way to do so. Our rents have been cut very low, in fact, we had to set a maximum of \$15 [a month] for a family of three to four, and run it up accordingly. With a widow and children, where there is not any outside support at all, we have to be a little more lenient.

Mary Judge, Registrar, Department of Social Service, Sacramento County, said that her department pays rents wherever possible:

Questions by Commissioner French

Q. Have you had any trouble with evictions?

A. Very little.

Q. Do you pay their rent?

A. Sure, why not? That is the worst thing on earth—eviction. We have very little trouble with evictions. When money allows, we pay their rent; but now, of course, we are a little short.

Q. Of course, in some counties that has been a difficult situation.

A. Oh yes, it has been here too; but we have met it * * *

W. B. Jenkins, Manager of the Sacramento Community Chest, referring to the rent situation in Sacramento, stated that since the first of the year they have been unable to pay rents but have had very few evictions:

Questions by Commissioner Cushing

Q. What have you done about the rent question?

A. Well, since the first of January we have done nothing about it. It seems to be a sore question on the part of relief agencies state-wide. We do not take care of rent, gas or lights, because our situation is so drastic.

Q. Have you had any evictions on account of unpaid rent?

A. Very few in Sacramento; the landlords seem to be doing their part in this period.

Q. So, if a landlord contributes to the Community Chest, and then carries the tenant, he is doing twice as much, is he not?

A. Yes, and maybe more.

PART I

B. RECOMMENDATIONS FOR UNEMPLOYMENT RELIEF AND PREVENTION

Various proposals were presented for the relief and prevention of unemployment. The majority of these deal with emergency relief from the State; restriction of the hours of labor; unemployment reserves or compensation; a public works program; stabilization of employment; meeting the problems caused by technological changes; and the development of employment offices to assist more effectively in the situation. These are topics outlined in the agenda.

A summary of the recommendations on these subjects, with excerpts from the testimony of various speakers is given in the sections following:

1. Emergency Unemployment Relief—State Aid.

Practically all the representatives of the private welfare agencies, as well as some of the public officials, and officers of organized labor, felt that State assistance is necessary to enable the local communities to meet the rapidly increasing burden of unemployment relief. Some urged that a special session of the Legislature should be called to deal with the situation. On the other hand, several public executives and some of the representatives of business interests felt that the handling of relief is a local responsibility and that State funds should not be used for this purpose.

F. O. Wallachlaeger, Assistant Secretary of the California Fruit Growers Exchange, Los Angeles, felt that under certain conditions State aid is proper in relieving unemployment since the conditions creating the emergency are general and not local. If the community is required to meet the entire expense, he said, it places an unfair burden upon large cities which receive an influx from other communities in times of depression:

* * * It is my feeling that certain localities do get the brunt of a condition such as exists today. There is a natural flow of humanity to the centers of population, such as Los Angeles, San Francisco and other large cities. Relief is more organized probably; there are more things to do; more opportunities perhaps they feel, and consequently there is a burden placed upon certain communities by the inflow of people who have been displaced from some other community. Under such circumstances as that, I hardly feel it is fair to ask a locality to take on the full burden of a surplus arising out of another locality; and perhaps under certain conditions, State aid is proper because it is a general condition that has brought that about.

John C. Austin,¹ Chairman of the President's Organization for Unemployment Relief, Southern California Division, held that the State should not make appropriation for emergency unemployment relief.

¹ See Exhibit 2 in Part II B.

Recommendation for immediate action for relief was presented by C. F. Grow, General Representative of the International Association of Machinists in the western part of the United States:

I wish your commission will be able to recommend certain remedial and immediate relief to the Governor, and that he will also immediately put the same into operation and that such relief will also find its way into the hands of our long-suffering men, women and children, as God knows they will surely need it. The quicker the better.

According to D. C. MacWatters, Secretary and General Manager of the Los Angeles Community Welfare Association, some form of State aid, either through loans to municipalities for building programs, or a direct grant for relief purposes is necessary to enable municipalities to meet the mounting cost of unemployment relief:

* * * In our present situation in this city—I speak now for Los Angeles and more or less for the county—the funds of the welfare departments, public and private, are rapidly becoming diminished. * * * We are therefore confronted with the problem of providing additional funds. We doubt very much if a general appeal would provide that fund, in the face of the campaign which they all know will be coming on this fall for the general fund. We are told that there is no way in which the county can provide additional funds at the present time except possibly by a bond issue. It would take months to put over a bond issue, so my personal opinion is that for the immediate relief and meeting the situation and to avoid the suffering which is bound to come, if these agencies are not in a position to provide the temporary assistance, some State aid will be necessary. Whether that will be in the form of loans to municipalities or counties for building purposes, or whether it will be direct for relief purposes, I am not prepared to say; but it seems to me that is the solution for our own problem right here.

Reverend Thomas J. O'Dwyer, Director of the Catholic Welfare Bureau, Los Angeles, representing the Council of Social Agencies of Los Angeles County, felt that State aid is necessary to meet the situation, pending the period when unemployed residents shall return to employment and be self-supporting. Each community should care for its own needy to the fullest extent of its ability, he said; but the point has now been reached where many of the communities are no longer equal to the burden. They have no funds available. He could see no recourse for the situation except through State or Federal aid:

Questions by Commissioner Cushing

Q. Do you feel that the State should render some aid?

A. Yes, I do.

Q. Have you any thought as to how the appropriation should be made?

A. Perhaps through the already existing established agencies in the State.

Q. I noticed in the press this morning the statement that more than half of the population of the State is in the southern counties, from Santa Barbara south. Would that not mean that the aid that is given would fall on the same group that is contributing now, to the extent of one-half at least?

A. I am not prepared to answer that question. I feel that the State authorities are in a position to distribute that relief equitably and fairly. And in rural communities, too, there is a serious problem, as well as in the larger industrial cities, and the State department would take cognizance of that fact, and provide not only for cities, but for the rural communities as well.

Q. Do you believe this aid should come out of the State treasury, as well as the local treasury?

A. Yes; this is the third winter, and we can see no end to it.

Question by Commissioner Bauer

Q. Do you believe it is a community responsibility to afford relief?

A. We feel that each community should care for its own to the fullest extent of its ability to do so, but we also feel that we have reached the point where many of the communities are no longer equal to the burden; that funds are no longer available. I can see no other recourse except through the State or Federal Government.

In view of the fact that some communities are not meeting the relief problem and that some are unable to do so, Irving Lipsitch, Executive Director of the Federation of Jewish Welfare Organizations and Chairman of the Executive Committee of the Council of Social Agencies of Los Angeles, felt that the State should ascertain existing conditions and make appropriations to provide relief. The amount of assistance given to a community, he said, should be represented by the money that the local community raises:

* * * There are certain black spots in the State of California, as there are in the whole United States, in which for one reason or another, an insufficient amount of unemployment relief has been made available. Some of the communities, of course, do not have the financial resources to do all that their localities demand or that those in charge would like to do. Others have other reasons for not so doing; but I imagine your data already discloses where these particular spots are. However, in this matter as well, the State should undoubtedly take the lead, not only by finding out where these weak spots are, but in remedying them if possible. One remedy that it seems can be obtained is the remedy of action by the State in making the appropriations, predicated undoubtedly by a willingness on the part of local communities to do all they are capable of doing themselves. And, of course, that brings us to the next question as to whether there should be a maximum limitation to the amount of State aid granted to any given municipality; and if so, how should it be arrived at.

I think a very simple answer to this is the answer that we professional workers use in our ordinary case work with individuals, and with families—the type of thing that you and I, as individuals, are confronted with on all occasions when we are asked to help an individual. Our first duty as an individual or professional worker is to ascertain whether that individual has done everything he possibly can for himself, and whether we can help and direct and guide him to continue to do for himself all that he is physically and otherwise capable of doing; and only when we are convinced that he has done everything he can to help himself, only then does it become our duty to go to his assistance, and to work towards the end that in the early future he will no longer require our assistance. In other words, the duty of the social worker and the individual, and I think of the State, is not only to help people in their distress, but rather to help them to emerge from their distress, so the help we are giving them will no longer be necessary.

So the answer to that, it seems to me, shall be that the maximum shall be only that amount of money which the local community is able to raise for itself, using all its resources, and matched by an equal amount on the part of the State to enable that governmental unit to go ahead and pursue that policy of self help and to continue in that policy until the need eventually disappears.

A. W. Hoch, President of the California State Federation of Labor, felt that the State should help in the matter of emergency relief:

The question has been raised here by each speaker and the desire expressed that the State should assist in a case of this kind. We are also in favor of that. In fact, our State Federation of Labor on two occasions asked the Governor of this great State to call a special session of the Legislature to deal with this proposition so relief could be given. And it is right that it should, because this State maintains large institutions scattered in various parts of the State; and at a time of this kind, certainly, enlargements could be made on those institutions. * * *

S. M. Bond, representing the Family Welfare Association and the Community Chest, Los Angeles, said that a stage has been reached where the situation can not be taken care of by private relief agencies. It has expanded until it is not only a city-wide proposition, he said, but a State proposition as well. He urged that California should follow the example of Ohio in providing State aid for unemployment relief.

Lynn D. Mowat, Campaign Director of the Los Angeles and Oakland Community Chests, proposed that the relief needs in every community of the State for the coming year be ascertained together with the public and private resources available for meeting these needs and that this information should be used as a basis for determining whether State aid is required.

Mrs Emma Shencup, social worker, Jewish Community Chest Agency, Los Angeles, said when local resources are exhausted the relief agencies must look to State aid. She called attention to the fact that the State has been giving assistance in the matter of children, the aged poor and the blind, and that this has proved effective:

The social workers say, "What further can we do about these many families that need help?" And the only thing I can say is that when the local resources are exhausted we must look to State aid. Some people are afraid of State aid. We tried State aid for children and State aid for needy aged over 70, and I think we found it a tremendous lift. We tried State aid for the blind and found it a marvelous help.

The Los Angeles Chamber of Commerce,¹ expressed the opinion that the care for indigent resident unemployed is a local problem to be handled by each community; that State assistance, however, should be given in the case of transients.

As means of emergency unemployment relief, Arthur G. Coons,² Professor of Economics, Occidental College, Los Angeles, recommended legislation requiring the registration of all unemployed workers, and State appropriation for unemployment relief to be handled directly by the State in cooperation with municipal agencies:

The State should make appropriations for unemployment relief. This should be handled directly by the State, but in cooperation with municipal agencies. No person should receive aid from more than one source to an excess of \$7 per week (or some figure to be set by careful inspection), the State making up only the difference where part is supplied locally, but not preventing local agencies, private or public, to assist. The variations could be based on dependents, etc. All persons to be eligible for State aid to be registered as unemployed and willing to work in several listed occupations as qualified.

George B. Mangold, Professor of Sociology, University of Southern California, questioned whether there has ever been a time when so large a proportion of the population has been out of work and in need of relief. He advocated Federal aid as a means of dealing with the situation:

We have a tremendous amount of unemployment, a tremendous amount of relief giving, and the amount of relief giving is constantly growing because we are not able at the present time to meet the problem of unemployment. Out of 33,000 families in this county, in this community, that are receiving aid, you want to multiply that by five, which is the actual size of the family. By doing that you get 165,000 persons who are in need of aid. That is a tremendous figure, to

¹ See Exhibit 6 in Part II B.

² See Exhibit 8 in Part II B.

say nothing about those who are not counted who are also receiving aid and relief. * * *

Federal relief is necessary if we are going to take care of the people who, they say, are not starving. As a matter of fact, they may not be dying from starvation, but they are suffering in other ways. Only the other night a person connected with our county hospital spoke of the terrible increase in tuberculosis in our county. There is no question at all but that it is partly due to unemployment and the fact that there is insufficient food for people. Therefore, we are coming to the time when we ought to give the problem serious consideration and try to work it out.

Joseph L. Scott, President of the Community Chest, Los Angeles, recommended that the municipal and county officials be required to do their part in meeting the relief problem:

* * * As president of the Los Angeles Community Chest, I think it only fair to say that we think the public officials ought to take a hand in this program. I am against the Federal government doing this. I am against helping New York and Pennsylvania and Wisconsin to settle their problems. I have enough Irish blood in me that I believe in home rule. Therefore, I think those are things that our own people ought to take care of.

That State aid can help much in the relief situation was questioned by James A. Robinson, retired, West Los Angeles:

We have reached the limit of giving voluntarily and through our municipalities and through county aid. We have reached the end of it. We are now asking for State aid. What are all these aids—municipal, county, State and Federal? What is the source of the money? From our pockets. There is resident no large fund which we may successfully appropriate from continually. There is nothing there except what is taken from us; so we must dissipate the popular error that reliance may be placed on a mysterious entity, the State, which has enormous powers of helping us. The State is no stronger than the citizens.

Seward C. Simons, Executive Director of the Pasadena Community Chest and Council of Social Agencies, and Secretary of the Unemployment Commission, said that some form of State assistance will be necessary if the county has reached the limit of its resources. He felt that while each community should do as much as possible for itself, if it is unable to meet the situation, that should not preclude State assistance:

Therefore, if the county is at the limit of its resources, I think I can safely express the opinion of those interested in this line in Pasadena that we feel some help must be given unless people be allowed to sink into that very depth of starvation and hunger and sickness, which none of us can contemplate without fear.

Question by Commissioner Bauer

Q. Help from what source?

A. I have in mind the State. We have appealed to the generosity and resources of the community and the county—the resources of the community locally were being tapped—I think some form of State assistance will be necessary if the county has reached its limit.

Question by Commissioner Cushing

Q. If the State would undertake to advance aid to the various communities, would not the burden in the last analysis fall where it is now?

A. Yes, by taxation in one form or another, but I feel that under these conditions, the burden can be more equitably distributed by some form of taxation. The State is not limited in its ability to raise money by the same limitations that the city is. We can not increase city taxes beyond what is set up by law or charter.

The Social Agencies¹ of Santa Barbara County, in a report presented by Miss Eva Hance, favored a program of unemployment relief to be financed through State appropriation:

* * * This appropriation should be based upon local needs to be determined so far as possible through a census of unemployment and a study of the local tax situation. It was felt that such aid should be granted by the State to local governmental units, conforming to a standard set by the State departments concerned; and that the distribution of such aid should be solely upon the basis of need, this need to be determined in the usual manner recognized by social agencies.

J. H. Nishwitz, "representing a group of the unemployed of San Bernardino," stated that his group believes that in the matter of relief the private agencies should confine themselves to assisting the unemployed and that unemployment relief should be taken over by the State in order that action may be properly centralized and systematized. As to the amount of State assistance to municipalities, they feel this should be conditioned by the form of relief given:

On the question of emergency unemployment relief, we believe that the business of the Community Chest and these other relief agencies should be confined to the unemployable, which is their original business; and that unemployment relief should be taken on by the State, because it is something which is not the same as disability, sickness, and does not come from the same cause and it should have centralized action and it should be systematized in such a manner as to properly distribute it. * * *

In regard to limits of State aid granted to any municipality, we are of the opinion that it depends entirely upon the kind of relief which is offered. If you are going to feed people direct, then there should be, of course, a certain amount of limitation. You would have to make certain rations and see what they should be. However, we believe that in communities such as San Bernardino, which can not and has never been able to adequately meet the relief problem, that some provision must be made by the State. We have had a certain amount of relief. We are not entirely without it, but it has been so small and inadequate it has not covered the situation at all.

E. H. Dowell, Secretary of the San Diego County Federated Trade and Labor Council,² recommended that a special session of the Legislature be called to make appropriations available and to provide remunerative employment for the unemployed:

* * * It will be too late when the next session of the Legislature convenes. Winter will be upon us and spring will have left winter's toll of suffering and want before the Legislature, in regular session, can provide the necessary relief. Our municipalities and counties, charitable and welfare agencies can not much longer bear the burden placed upon them, much less carry on through another winter.

Jerome B. Pendleton, Executive Secretary of the San Diego County Welfare Commission, stated his conviction that during the present emergency, the various counties of the State can not handle the matter alone; that State aid is necessary:

* * * We must have State aid. * * * I heartily recommend to your commission that you make every possible effort to urge upon the proper officials of the State or the State Legislature that some kind of State supplement to our county aid is absolutely necessary, and that that supplement be handled in a way that will be recommended either by your commission or by a commission appointed to study the best possible methods for doing it. I do not believe that any one welfare official can recommend a means or method of

¹ See Exhibit 4 in Part II B.
² See Exhibit 9 in Part II B.

procedure for handling this very grave question alone; but I do believe that a commission appointed either by the Governor or with his sanction to study this question and to make a recommendation to the State Legislature for State aid to supplement that now given by the counties, is our only solution until this emergency is over.

State aid to municipalities for unemployment relief was advocated by Frank C. MacDonald, President of the State Building Trades Council. He expressed the opinion that it is the duty of the State to make appropriation and that such aid should be limited only by the State funds available:

* * * I think I express the opinion of organized labor when I say that the limit should be the limit of all possible State funds to relieve the distress attendant upon unemployment. For there is no function of the State that is more important than protecting the life and health and welfare of the people—that is what the State was created for. So we believe that even though it carries with it a tremendous burden of taxation, that the great corporations will try to evade, that that responsibility is the responsibility of the State; so we do not attempt to join in any suggestion of limitation to the municipality.

With regard to standards that should be required of municipalities in the case of State aid, Mr. MacDonald recommended:

A fair, impartial, intelligent expenditure of the money, unrestricted by any political manipulations or favoritism, should be insured through the State giving the money subject to the condition that a nonpolitical, true, responsible committee, representing all elements—not just the business element that we are prone to find—but giving a just proportion to working men, should be on such commissions in order to insure that the money will be expended for relief work, and not for bureaus, or to be absorbed in red tape manipulations.

Opposition to State appropriations for emergency unemployment relief was voiced by William P. Bell, Personnel Manager of the California and Hawaiian Sugar Refining Corporation,¹ on the ground that it should be a function of each community to control the situation:

The State should not make appropriations for emergency unemployment relief. This should be a function of each community to better control the situation and to force a division of whatever work is available in the community. Conditions vary in each community and it should be the individual problem of that particular district to provide work for its citizens in the way best suited to meet its needs.

C. M. Wollenberg, Director of Unemployment Relief, San Francisco, stated that he did not know how the city would be able to provide the funds needed for relief work for the next year unless arrangement is made for some assistance from the State. He pointed out that San Francisco is the only county that receives no maintenance work on highways and so does not have the opportunity the other counties do to put unemployed men at work on the State roads:

* * * I think the problem that faces San Francisco is to provide adequate funds for relief for the next year, and with real estate meeting the entire burden, I do not know how San Francisco is going to do it; and it is for that reason I believe the State has to change several of its laws and provide a way in which it can help.

* * * All other counties have an opportunity to put men to work for the State within the confines of the county on State highways. * * * There are no State highways built confined to this county, and so we have not that opportunity to afford relief to our people.

I think it is important that in the Legislature next year, the allocation of funds for the expansion of the highways be not fixed definitely to certain highways—

¹ See Exhibit 12 in Part II B.

that it should be liberalized, so the Highway Commission can meet the emergencies in the various counties, in the centers of population, by starting work in that immediate center, and not necessarily carrying on a project that is on the program.

W. P. Fuller, Jr., representing the Community Chest, San Francisco, stated that the Community Chest's official view is that State aid is essential; also that the distribution of such aid should bear some relation to the amount of funds supplied by each community:

Questions by Commissioner Bauer

Q. Why do you think there should be State aid?

A. I think the size of the relief program has developed so rapidly that it has now reached a point where there is grave risk of a breakdown before another twelve months are out, if the communities must rely on their own resources.

Q. If you have State aid, the bulk of the money will come from the centers of population through some form of taxation, will it not?

A. Exactly, but one of the great difficulties at the present time is the inordinate burden being borne by the general property tax. As long as the communities are relied upon to supply all that is necessary, the same real estate owner who is having great difficulty with his rent, and is indeed contributing greatly to the relief of the unemployment problem by not evicting people, is called upon to bear not only the major burden, but almost the exclusive burden. I do not think the Chest feels that State aid is desirable *ex paucis facto*; but if all possible resources are not used, that the appalling possibility of the results has to be faced.

Question by Commissioner Cushing

Q. If the burden of relief falls proportionately to the population—and I suppose we can assume in a rough way that it does somewhat—it falls more heavily on big urban centers here about the Bay and southern California; then would not the burden of taxation fall back on the same group, whether assessed by the State or the county?

A. It does seem to us that it would not come back on the same group, unless you mean by "group" the citizens of San Francisco, and in that case it unquestionably would; but a great many of the citizens in San Francisco are carrying a far lesser burden than the real estate group, which is now carrying almost the entire burden.

Supplementing the statement by Mr. Fuller, the Community Chest¹ of San Francisco submitted a letter subsequent to the hearings, explaining their views on emergency unemployment relief. In this, the Chest recommends that the State make emergency appropriation for unemployment relief, inasmuch as the relief now given in some sections of the State is not confined to residents of those sections, and as local resources are inadequate to meet the relief situation. The State, however, should not be expected to assume the entire responsibility, they held. The aid granted to a community should be limited and the amount conditioned upon the efforts of the community to help itself; also upon the public needs and resources of the community.

With regard to methods of relief, the Chest recommends that each county be granted discretion as to the form of relief, whether home relief or work relief, to be employed in individual cases; also that the State reimbursement be the same for each form of relief.

A further recommendation made by the Chest is that the State Unemployment Commission be placed in charge of the administration

¹ See Exhibit 17 in Part II B.

of State funds for emergency relief and be authorized to make rules and regulations governing the distribution of the funds:

The Community Chest believes that the State should make such appropriations [for emergency unemployment relief]. In the first place, the relief in certain localities, San Francisco being one of them, is not by any means confined to its own residents. On the contrary, such communities are forced to handle cases of nonresidents originating in other parts of this State, and likewise from beyond its boundaries. In times such as these, the burden of caring for local need is overwhelming; but when communities are forced to care for the nonresident, whether from within or without the boundaries of the State, there would seem to be no question but that the State should share in meeting the problem. In the second place, even though we leave out of consideration the nonresident of the particular locality, the Community Chest is convinced that local resources are inadequate to meet the increasing local relief problem. * * *

We believe that there should be a measure to the amount of State aid granted to any municipality and that this measure should be determined upon and fixed by the State Unemployment Commission which, we believe, should be continued and placed in charge of administration. This measure should be determined at least in part by the self-help of the local community towards the solution of its own problems, and likewise, the amount which it contributes to the public funds and through private sources to the relief problem. * * *

The Chest feels definitely that the State should not be expected to assume the complete burden, but each local community should be expected to handle a fair proportion of its own problem based on its resources and population and its relation to other communities.

It is recommended that the State funds be used for work and/or home relief; that the individual counties be permitted to use their own discretion as to which form of relief shall be given in individual cases; and that the basis or percentage ratio for reimbursement to the county by the State be the same for work relief and home relief.

Martin Wise, unemployed machinist, San Francisco, recommended that the State should make appropriations for unemployment relief; that a subsistence standard should be fixed and maintained; and that the State should take money from every available source in order to provide relief.

The Family Relief Society¹ of San Francisco recommended appropriation by the State for emergency unemployment relief without limitation to any municipality. With regard to methods of emergency relief within the communities, they recommended distribution of all relief funds by the municipality in cash:

* * * If deemed inadvisable to distribute in cash, a system of scrip distribution should be established, enabling each recipient to shop where and when desired, thereby benefitting all merchants who are now suffering on account of grocery distribution in lieu of cash or scrip; benefitting all families on the relief list, inasmuch as they will be able to eat food to which they are accustomed which agrees with their systems.

Direct State assistance to the unemployed was recommended by P. Somers, unemployed bookkeeper and accountant, San Francisco.

In connection with emergency unemployment relief, Ira B. Cross, Professor of Economics, University of California, advocated that the State should make appropriation to assist local communities. He pointed to the critical situation existing in some of the counties where the funds have been practically exhausted and there is no way of raising additional funds; where the relief given to dependent families has been drastically cut and in some instances discontinued. The citizens of the

¹ See Exhibit 15 in Part II B.

State, he felt, who are taxed by the State in various ways and also by the counties and cities, have a right to call upon the government for assistance.

He proposed a system of State aid whereby the State should make appropriation for emergency unemployment which should be matched dollar for dollar by the cities and the counties. There should be no maximum limits to the amount given municipalities, he felt, except that it should be conditioned on the amount raised by the municipality. The aid should be given out through the local charitable agencies rather than through the county supervisors; the work of the relief agencies could be systematized to avoid duplication of effort:

* * * You ask, should the State make appropriation for emergency unemployment relief? I would say, absolutely. We have in California at the present time a very critical situation. We have here in our county a very critical situation * * * Here in Alameda County our supervisors have cut off relief * * * For a period of three or four days there were no food orders issued * * * We therefore find that many counties are not raising funds. Many counties have boards of supervisors not interested in taking care of the unemployed. Many counties, of course, are short of funds and see no way of raising additional funds.

It seems, therefore, that the State should be called upon to take care of its people. We are citizens of the State of California. We are taxed by the State of California in various ways, primarily indirectly. We are taxed directly by the counties and cities. It therefore seems to me that we, as citizens of this State and city and county, should call upon the governmental units for assistance. The State should make appropriations for emergency unemployment * * * There should be no maximum limits except, as I said, they should be matched by the appropriations of the city or county assisted. That aid should be given out, it seems to me, through the local charity agencies rather than through the county supervisors. That aid should be passed out in a more systematic way than aid is being passed out at the present time. Many of our charitable agencies are duplicating their work, working at cross purposes, you might say. We have no systematization of charity activities in the average town in California; and as a consequence much duplication results and many families who need aid are not given it and others are given too much aid.

Questions by Commissioner Cushing

Q. With respect to the matter of provision of funds by the State, the policy of the State has always been, as expressed in its laws, as I understand it, to provide aid to those that needed it through the county organization or municipalities. If the burden were shifted to the State, will it not ultimately fall on the same people?

A. Not necessarily on the same people. It will be much more evenly distributed than at the present time. The greater part of our relief is actually being provided by our poor people. Of course we have instances where a wealthy man gives \$1,000 to the Community Chest or \$10,000 to some fund; but that amount of money to him bears less heavily on his income than the gift of 50 cents or a dollar in the case of the income of a poor family. We find today that much of our poor relief is being taken care of by the poor people themselves. Where you have funds passed from the State back to your counties it comes out of taxes. These taxes in the State of California come from levies upon the gross receipts of our railroads, corporation taxes, franchise taxes, not taxes upon your property and my property, but taxes upon the corporations of the State; and they, so far as possible, pass those taxes on to the general public. They are allowed to include taxes as part of the cost of operation. When the commission decides upon rates for the railroads, the commission takes into consideration the matter of taxes; and when you and I ride upon the railroad we pay that. It is distributed more evenly over the whole State than is the case at the present time when the burden rests primarily upon the poor themselves.

Q. Does not the demand for poor relief centralize in the urban centers?

A. Yes.

Q. And then should not the burden of meeting it fall mainly on the people in the centers?

A. It is a question, therefore, of whether or not you are going to place the burden of taking care of the unemployed upon individuals who are not responsible for the unemployment. The people of Oakland are not responsible for the unemployed in Oakland. The people of Berkeley and San Francisco are not responsible for the unemployed in those cities. Nothing has been done by the city of Oakland to make people here unemployed. It seems to me therefore unjust to make people who are not responsible for unemployment stand the cost of the unemployment; and therefore that is one reason why I say the cost of it should be shifted back onto industry, just as the case of workmen's compensation. In days gone by a man had his arm torn off in a cog wheel in a machine and could not work any more and was forced upon society for relief. Who took care of him? The public did, the county supervisors or some charity society that was not responsible for that man's condition. But the State of California came in in 1913 and said industry was responsible for that man's trouble and had to take care of that man because he was injured; and it seems to me the same thing holds true in unemployment. Industry is responsible for unemployment, and industry ought to stand the cost of unemployment.

Q. To what extent would the placing of the burden on State taxation as against county taxation make industry more responsible?

A. I get your point. But you see, you and I are talking at cross purposes. You are talking about things as they are now. I was talking about things as I would like to see them. I feel, answering your question directly, that when we have the State funds used at the present time to take care of our relief measures, we are by that means able to spread it out over a much larger area, over a much larger number of people, which people, also, as I said, are not to be blamed for unemployment. But we are up against this situation where we have to handle it now. We can not talk about ideals. We have to talk about things in a practical way. It seems to me the State can spread the burden out at the present time much more evenly than can be done in any other way. But of course, ideally, and I would say practically, the thing to do is to make industry stand the cost of unemployment, not the people as a whole, not the State, but industry.

State participation in the general relief program was urged by Charles A. Anger, representing the Community Chest¹ of Fresno City. He stated that the Chest believes the present relief situation indicates that local communities will be unable much longer to meet the relief problem adequately from local resources.

In explaining the request for State aid, Mr. Anger said that the opinion is based on the result of the Community Chest drives and the funds raised by public subscription:

We petition for State participation in the general relief program.

* * * The Fresno Chest believes that it is not the proper duty of the Chests themselves to indicate the method by which the necessary funds for State participation in the relief program be raised. We believe, however, that it is the duty and the responsibility for us to point out the need definitely and positively, and to insist on State help.

We particularly urge not only a complete acceptance of the above recommendations, but also prompt, decisive and insistent action. We stand ready to cooperate in every effective way with all other organizations and associations in furtherance of this program.

Question by Commissioner Cushing

Q. About this matter of State taxation. Suppose the State were to make some funds available for the purpose. How do you think the funds should be apportioned among the counties?

A. Well, I stated that we asked the State to help in a general relief program, meaning of course, private agencies somewhat. I do not feel that this community or other communities around this part are going to be able to take care adequately of the relief situation this next winter, basing that on Community Chest drives and funds that have been raised from public subscriptions. This last winter in our own present community we did not have enough funds available to relieve the

¹ See Exhibit 21 in Part II B.

situation adequately. * * * If the State could in some manner appropriate funds that could be distributed, possibly through the County Welfare Department or maybe paid through this present Unemployment Commission, and let them distribute the funds, if necessary—I do not know whether that goes against the State law or not.

State aid as a temporary expedient in meeting the problem of unemployment relief was advocated by Hubert Phillips, Professor of Social Science of the Fresno State Teachers College:

* * * I do feel that to meet the problem temporarily, until some scheme such as I have suggested is worked out, that both county and State and city should take the burden of actual relief.

I wish we could do one other thing. I wish we could help men before they had to become paupers. A man the other day said, "I have to mortgage my house next week." When that man has eaten up his house, then we will help him, not before. That, it seems to me, we should avoid. I am sure that is not sound, that a man should lose his property before he could get help, and yet under the State law that is what happens.

As a specific recommendation for unemployment relief, W. B. Jenkins, Manager of the Sacramento Community Chest, advocated direct State aid to municipalities. He said that State appropriation for relief will have to be made in certain localities where the case load has become extremely heavy. He felt that there should be a maximum limitation on the amount of State aid for local relief; that after this maximum has been reached, Federal aid should be requested by the State. The administration of State aid, he recommended, should be left to the recognized relief agencies within the municipalities that have been in operation for a period of five years or more:

State appropriation for relief necessary will have to be made in certain localities. * * * Proper distribution of funds so appropriated will be a matter of serious concern as there are certain localities able to handle local problems, while other communities, because of the larger center of population, can not possibly handle the problem even with lower social standards. * * *

I believe there should be a maximum limitation of State aid for the general relief problem. After this maximum is reached, then Federal aid, through the State, should be requested. How much should be done, should be judged by the State budget control so that too great a burden should not be placed on tax revenues.

If direct aid were given by the State, I think standards should be left to those recognized agencies within municipalities which have been in operation for a period of five years or more, and wherein the county registrar's office could be used. The distribution of any aid set up directly by the State would be too costly and it would be a duplication of the set-up already provided within all counties.

J. S. Dean, City Manager of Sacramento, expressed it as his conviction that unemployment relief is not a public financial responsibility. "I am thoroughly convinced," he said, "that it is absolutely impossible to ever correct the condition permanently by this method."

J. L. R. Marsh, Secretary of the Federated Trades Council, Sacramento, felt that until a socialized policy of employment can be worked out, it is necessary for the State and the municipalities to make emergency appropriations for the relief of the distressed:

As a matter of necessity, organized labor is willing to go along with anything that offers an industrial solution. However, we feel, as our city manager expressed it this afternoon, that immediate relief of the charity type is only palliative and can have no permanent effect. To keep soul and body together until such time as a socialized policy of employment is determined upon, for the people to live, it will be necessary, in our opinion, for State governments and municipal

governments to make certain appropriations. Those things will be determined by the local circumstances and the particular instance.

* * * There should be no limitation of assistance given to worthy citizens—of course, tempered by the feeling we have that anything given in the nature of charity is only temporary. The purpose of the State law, in our opinion, should be to find the cause and remedy rather than to apply a sedative at the time of acute want.

George F. Mitchell, locksmith, Sacramento, representing the Unemployed Council, advocated immediate emergency relief from the State, the extent of relief to be limited only by the existing need.

The Employment Stabilization Committee of the California State Chamber of Commerce,¹ in a memorandum submitted subsequent to the public hearings, held that each community should take care of its own resident unemployed, and that the State should not make appropriation for direct relief for such purpose. The case of nonresident transients, however, they regarded as a burden which the individual communities can not and should not carry without assistance. In view of the large number of transients from outside the State, it was their opinion that Federal aid should be provided and that until this is secured, State aid should be granted:

Should vigorous steps to secure Federal action fail, State assistance, in critical cases, will undoubtedly become necessary. Under such extreme circumstances, departure from the normal sound policy of basing State expenditures on work relief programs appears a justifiable emergency procedure in view of the possible economies that could be effected; as the same total expenditures, through direct aid to our qualified existing local relief agencies, could provide more widespread relief than if expended on work relief through State projects.

* * * The State, and its communities, together with our civic and business organizations, should make every effort to secure Federal recognition of its responsibility, and secure adequate Federal assistance.

With regard to the best methods of furnishing unemployment relief in the local communities, the committee suggested a conference of the various agencies in order that the most effective and practical methods may be developed through the combined experience and judgment of the different groups:

The State Chamber Committee recommends that the State Department of Social Welfare call a conference, this summer, of representatives of agencies from each community in California which in its judgment are best qualified to carry on unemployment relief in their respective communities; for the purpose of determining the best methods of furnishing relief in those communities, and to exchange mutual information both with respect to relief activities and raising of local funds for local relief purposes. Questions of State aid should not be part of such a conference; and the State Department of Social Welfare should limit its function in this particular matter to that of convening the local groups into joint conference.

HOURS OF LABOR

There was, with two or three exceptions, general agreement among those testifying on the desirability of a shorter working day and week as a means of relieving the existing unemployment by taking up the slack of idle labor. The majority of the speakers favored a six-hour day and a five-day week. There was difference of opinion as to whether the shorter schedule should carry a higher hourly rate or should be paid

¹ See Exhibit 22 in Part II B.

at the present rate. There was also question whether legislation for reduction of hours should be confined to public employment or extended to private industry. In this connection, the issue of constitutionality was raised. The majority of the labor men were in favor of limiting the hours on public works and in State and municipal employment, feeling that such action on the part of the government would serve as an incentive to private industry.

Samuel C. Haver, Jr., Manager of the Personnel Department of the Southern California Edison Company, relating the experience of his company with the five-day week, said that this has been adopted throughout the entire organization and that in some departments they are operating on a seven-hour day and a five-day week. He thought it would be practical to carry on the work permanently on a five-day week basis. The employees, he said, are about as well satisfied with this arrangement as with the five and one-half day week in spite of the reduction in salary, which he estimated is about 9 per cent.

J. W. Buzzell, Secretary of the Los Angeles Central Labor Council, advocated, as a means of meeting the problem of unemployment, adoption by the State of a six-hour day and five-day week for all public construction work. He felt that, even though there may be a proportionate reduction in the daily wage, it would mean the employment of a much larger number of persons and eventually there would be an advance in the hourly rate. He was opposed to legislation to provide for reduction of hours in private employment on the ground that such action should come through organization rather than through legislation:

My personal opinion, and I think it is also the official opinion of the American Federation of Labor, is that we neither want wages nor hours in private industry established or controlled by law, except for women and children who are unable to protect themselves. We would hesitate to put in the hands of the Legislature in any State the power to fix our wages, because in that event we would not only be up against the always uncertain angle of political inexperience, but the Legislature, by natural structure of our law and natural inclination, would construe what it meant as a minimum wage, and soon the minimum would become the maximum. And in hours, what the State would fix for maximum hours would soon come to be construed as being unchangeable when and if the opportunity came that we might want them reduced.

Questions by Commissioner Bauer

Q. Mr. Buzzell, as I understood your statement, do you think it would be improper for the Legislature to limit the number of hours?

A. In private employment, yes.

* * * Our reason for objecting to the legislative action, except as it concerns public works, is because, assuming that today the Legislature were to hear your report and should approve your recommendations for a six-hour day, and it would become a law, and next year or the year afterward, we have a greater repetition of this present trouble, or we discover that the six-hour day is not sufficient to cure our present difficulties, we would then find ourselves in the position of again having to depend upon the Legislature to meet the emergency, along with the many difficulties and vagaries that come out of and go into legislation; and consequently we would be gradually building up in the minds of our people that all of our ills and goods are to come from the Legislature instead of our own efforts.

Q. You have suggested, I think, that the six-hour day and five-day week would be a good thing; is that correct?

A. Yes. * * * It is our opinion that a reduction in hours of labor will bring with it an increase in the hourly rate of pay—not perhaps simultaneously; but the experience of the American workman has been through all the years of his struggle, that to reduce the hours of his then present day's work meant that in the

end, before he got through with it, he actually in addition to that would increase his week's earnings. That is what has built America up to the highest standards of any nation in the world.

Harvey C. Fremming, Director of Employment Stabilization Bureau, Los Angeles County, suggested as one means of meeting the problem of business depression with its attendant unemployment, shortening the hours of labor in proportion to the displacement of men by machines, increasing the wages of the mass of workers at the lower wage levels and reducing commodity costs. He expressed himself as opposed to legislation to reduce hours and increase wages in private industry.

The County Unemployment Committee, he stated, adopted the five-day week program a year and a half ago as one of its major approaches to a partial solution of the problem. In this connection, he submitted the results of a recent questionnaire¹ sent out by the Bureau regarding the experience of Los Angeles firms with the five-day week, showing that 854 firms in the county had adopted the five-day week schedule; 70,665 people were affected by the shorter program and 14,212 are now working who would not otherwise have been employed or retained.

John C. Austin,² Chairman of the President's Organization for Unemployment Relief, Southern California Division, said that the only really basic proposal he could make is that hours of labor should be reduced so as to provide employment for the available workers. There should be a continuous audit conducted, he suggested, based on the supply of work available and the number of persons desiring work. This should be a permanent policy. The system, to be effective, he said, should be nation-wide. He advised that the State make recommendation to Congress to that effect:

The hours of labor of both adults and minors should be restricted with a view of bringing about a greater spread of employment opportunity. This restriction should be made under a continuing audit. * * *

This policy of restricting the number of hours per man per day to an equitable amount should apply at all times under the continuing audit. Such a plan would take care of the ebb and flow of business and the creation of permanency in labor would go far towards eliminating depression.

* * * There is just so much work in the world, just so much need for man power. And I am convinced that the only thing there is ahead of us, as a nation, is to evaluate the amount of labor which we have to offer in the United States, estimate the number of people there are who require that labor, and under a continuing audit, limit the hours of work that any employer of labor may assign to any man to a just proportion of the total amount of work available—each man employed to be paid upon the basis of his efficiency.

If we adopted that limitation in any one city, county or State, there would be such an influx of labor into that territory as to render the entire operation of no effect. Therefore, we must do this work on a national basis, under the protection of stringent immigration laws—this in order that we may have a known amount of labor with which to deal.

Gordon S. Watkins, Professor of Economics, University of California, Los Angeles Division, suggested that the time has come for the government to take the initiative in establishing the five-day week.

One of the most important issues now confronting the nation which requires immediate attention, according to C. F. Grow, general representative of the International Association of Machinists in the western part of the United States, is reduction of the hours of work per day

¹ Report on the questionnaire is given as Exhibit 3 in Part II B.

² See Exhibit 2 in Part II B.

and per week to the necessary degree that will absorb the millions of unemployed workers and restore their earning power so that they can support themselves and their dependents. The six-hour day and five-day week, he said, can now be effected in almost all basic industries as well as in all employment of a public nature. He considered the general adoption of the shorter hours' program essential to ending the unemployment and depression.

George H. Dunlop, retired real estate man, Los Angeles, also advocated reduction of the hours of labor. He felt that the adoption of the six-hour day will lengthen the working life of the average man and will stabilize wages at a higher level than today. He said that if it were constitutional, he would favor legislation applying the shorter work day to private industry:

I can think of few things that will promote public health more than shortening the working day. It would also lengthen the working years of the average man. It is very difficult now for a man to work eight hours a day and be a really good man when he gets along in years. The employers prefer younger men because they do more and the old man is worn out; and six hours a day would add at least five years to the effective working time of men, prevent their being put on the shelf as early as they are now. They would probably go several years more meeting the requirements of the six-hour day than the eight-hour day.

The six-hour day would give the workman a much larger radius from his home in which to seek work. * * * It would permit home ownership, because a great many people don't dare buy a home when they don't know how long they will be employed in that neighborhood.

It would have a beneficial effect on city planning. The congestion on our streets in the peak hours of the day would be very much reduced; because the big department stores and big institutions could work different shifts, probably be open ten hours with an hour overlap. Its effect on city planning would be very great.

Jacob Mueller, of the Golden Rule Market, Los Angeles, recommended that the hours stores may be open should be restricted to eight or ten a day, as a means of reducing unfair competition and assisting in the unemployment situation.

Henry Gray, Los Angeles Economist, Prosperity League of California, recommended the enactment of legislation providing for a six-hour day on all public contracts whenever practical or feasible.

Miss M. Howard, stenographer, Los Angeles, favored reduction in the hours of labor, suggesting that if necessary a four-hour day be adopted to give employment to all who are out of work.

According to A. R. Gifford, President of the Los Angeles District Council of Carpenters, his organization feels that the only safe way to relieve the existing situation is to shorten the hours of labor and to divide the work among a larger number of men. A five-day week and a six-hour day, he said, would take up a large amount of the idle labor. His organization would be willing to adopt the reduction in hours at the present hourly rate which would mean for the present a reduction in earnings. They would favor enactment of legislation reducing the hours in private employment if it could be stipulated that the hours specified represent the maximum number that may be worked and not the actual number to be worked:

* * * Our interest in shortening the work day is not a selfish one. It is not for the purpose of obtaining a shorter day for the workmen in a selfish motive, but because we believe that every job upon which our men are engaged could be reduced to hours of employment. If a contractor is able to allocate the amount of money that

is necessary for carpenters on a job, then you can reduce that to hours with a large number of idle men. We feel the only way that situation can be conservatively relieved is to shorten the hours of the work day, and distribute the work among a greater number of men.

* * * We believe the six-hour day is the maximum that can be worked today in our trade and furnish anything at all like employment for a majority of the men. That in itself would not occupy all of the men in our trade. A five-day week and six-hour day would take up a large amount of the slack.

Reverend Thomas J. O'Dwyer, Director of the Catholic Welfare Bureau, Los Angeles, also favored the adoption of a six-hour day and five-day week.

The Social Agencies¹ of Santa Barbara County stated that they considered restriction of the hours of labor one of the essentials for any constructive program dealing with the prevention of unemployment.

Irving Lipsitch, Executive Director of the Federation of Jewish Welfare Organizations, representing the Executive Committee of the Council of Social Agencies of Los Angeles, recommended reduction of the hours of labor and spreading employment to take care of the unemployed:

Everybody knows now that at the moment at least, there are not enough opportunities in the United States, nor in California, to go around. Therefore, that which there is, in all justice and equity, should be distributed among the aggregate number, which includes those who through no fault of their own are unable to obtain that employment without which they can not properly exist.

Therefore, it seems that there is no other method of distributing the amount of work that is available except on the basis of shortening the hours of labor for those who have it, and spreading the employment out so as to take care of those who do not have it. As to whether that can be done on a permanent basis, or whether the need for that will eventually disappear, I do not imagine that there is anybody competent nowadays to determine that for any considerable period of time. If legislation is necessary in this State or elsewhere in order to bring such a condition about, we need not regard it as the laws of the Medes and the Persians which can not be changed.

A. W. Hoch, President of the California State Federation of Labor, advocated reducing the hours of labor sufficiently to provide work for all who need it. He recommended the adoption of a six-hour day and a five-day week on State work as an incentive to private employers but did not approve legislation to make this compulsory in private industry:

One of our thoughts is dividing the work—give everybody a job—we don't care so much whether it is a five-day week, or a six-day week, or a four-hour day, or just what; but we do say that everyone should have work.

Questions by Commissioner Cushing

Q. Do you favor a law to that effect

A. Do you mean for private industry?

Q. For everybody.

A. We favor the State setting the example; but when we regulate the hours of employment of the individual in private concerns, we are going to meet with opposition until we have that concern, or the individuals in that concern, educated; and the only way to educate those concerns is through the labor movement; and that is how we came from the ten-hour day to the nine-hour day, and so on through.

Armour R. Henderson, member of the Benjamin J. Bowie Post of the American Legion, representing colored workers, questioned the pos-

¹ See Exhibit 4 in Part II B.

sibility of enforcing a schedule of shorter hours for some of those for whom he spoke:

It would be rather hard to enforce shorter working hours for our domestics, because then you would invade the rights of some peoples' homes. Our domestics have long hours, and even in the apartment hotels numbers of them are being worked over the State limit for work for women, as well as men; but the same thing comes up as I heard this morning when one might say, "Why aren't those violations reported, and the violators prosecuted?" It is just a question of position. That is all.

Frank E. Mortenson, Secretary of the Southern California Retail Druggists Association and the Alliance of Retail Trades Association, said that if shorter hours would help the situation, he was for the shorter hours at good pay.

George B. Mangold, Professor of Sociology, University of Southern California, did not favor legislation to make shorter hours compulsory. He questioned whether such legislation would be constitutional.

H. L. Sacks, attorney, Los Angeles, advocated as an essential remedy for unemployment, the six-hour day and the five-day week. He considered this program of shorter hours, combined with unemployment insurance, the only possible remedy for unemployment. He doubted that legislation establishing shorter hours would be unconstitutional.

J. H. Nishwitz, unemployed laborer, Los Angeles, representing a group of the unemployed of San Bernardino, stated that hours of labor should be reduced. The members of his organization, he said, felt that a six-hour day and a five-day week would help to solve the situation.

The Los Angeles Chamber of Commerce¹ in a letter of April 15, 1932, signed by A. G. Arnoll, Secretary and General Manager, stated their belief that the matter of hours of labor should be left for employers to regulate themselves. As an emergency relief measure, they have recommended to their business interests the adoption of a shorter working schedule, at the same time expressing opposition to the enactment of legislation on the subject:

The Chamber of Commerce has made the following recommendations with regard to the five-day or forty-hour week, in the belief that employers themselves, in the various trade classifications, should be permitted to determine the extent of working hours as an element of economic readjustment, on the same basis that similar problems have been solved in the past.

Consideration of this matter by the Los Angeles Chamber of Commerce has been definitely confined to its status as an emergency relief measure and does not in any way constitute a pronouncement on permanent policy.

The Board of Directors of the Los Angeles Chamber of Commerce seriously recommends to our business interests the adoption of an employment policy favoring a standard five-day or forty-hour week during the present emergency, based on the maintenance of the per hour or per diem rates of pay at their present levels and applied to the shortened working period.

The policy of the Los Angeles Chamber of Commerce is definitely against any new legislation restricting hours of labor at this time.

E. H. Dowell, Secretary of the San Diego County Federated Trades and Labor Council,² speaking for the committee of the Federated Trades, recommended establishment of a five-day week without

¹ See Exhibit 6 in Part II B.

² See Exhibit 9 in Part II B.

reduction in weekly wage for all employees of the State and its subsidiaries and on all work paid for out of public funds:

The idea of cutting down the hours of the work day is to put more money into circulation. We know from previous experience that where men were put on a six-hour day, with the hours they did not work cut off their daily pay, it hasn't furnished work for the proportionate number of extra men, but rather the worker has been speeded up to provide industry with the two hours profit in pay. * * * Cutting a day off the end of the week would not speed the work up so much as cutting off a couple of hours a day.

John L. Bacon, Chairman of the San Diego Branch of the President's Unemployment Stabilization Organization,¹ advised that immediate action be taken to limit the hours of labor to six a day, the hourly rate to remain as at present. Such an arrangement, he felt, would help materially in reducing unemployment. It was his opinion that legislation so limiting the hours in private industry would be constitutional. He recommended that legislation to that effect be enacted, suggesting that this might be done at a special session of the Legislature:

As a suggestion for covering the general condition, this suggestion is made: that immediate steps be taken to cut the hours of labor to six a day. Through the use of machinery, a man's daily production has been very greatly increased. There are conditions existing in this city today where, under the stress of unemployment, men are working ten, twelve and fourteen hours a day, being taken advantage of by employers who see the opportunity, through the stress of the times, to force down their cost of labor, and employ men at those long hours. That would have to come through legislation, and preferably federal legislation and most certainly, State.

If a six-hour working day were adopted throughout the country it would probably greatly relieve, if not almost entirely eliminate, much of the unemployment. The hourly rate prevailing now could probably be maintained and the resultant spread of employment help to equalize conditions.

Legislation would have to be carefully framed in order to take care of certain seasonable conditions in agriculture and possibly other occupations. Exception would probably have to be made also for those working on a monthly basis in supervising positions.

J. H. Rainwater, Secretary of the Community Chest, San Diego, while not committing himself on the advisability of legislation to establish shorter hours, said he had no question that the shorter day and shorter week are coming and that they will have to be adopted.

Harold W. B. Baker, Superintendent of the Junior Employment Bureau of the San Diego Schools, advised that the logical thing to do when there is industrial depression is to shorten hours instead of laying off men. The time has come, he felt, for the six-hour day. He said that almost every business man in the city agrees that shortening the hours of employment is about the only solution of the industrial situation today:

The only thing I can see, is for the fact to be recognized by law that every business must shorten hours. I actually believe we are ready in the United States today for a six-hour day, without question; and I believe ten or fifteen years from now we will be fighting for the four-hour day because we have reached a position where it is essential.

* * * The only permanent remedy is the reduction of hours of labor from eight to six in both public and private employment. This would mean the absorption of thousands of adults in industry often releasing them from types of occupations suitable for minors. This would mean increased opportunities for young people.

¹ See Exhibit 10 in Part II B.

The Workers' Benevolent and Protective Association of San Diego recommended shortening the days and hours of labor by law so that the supply will equal the demand.

Francis von Haeseler, printer, representing the Unemployed Council, San Diego, questioned whether reduction in the hours of labor would help much in meeting the problem of unemployment. He said that in the printing industry they have only a five-day week, and about 50 per cent of the workers are out of employment, and that even if the six-hour day were adopted, the proportion of unemployed would remain about the same.

John Hauss, former cook and dietitian, San Diego, recommended stricter enforcement of the one day's rest in seven law, as a means of affording employment to a larger number of persons.

The Building Trades Council of San Diego, in a paper submitted to the commission presenting their views on unemployment, advocated shortening the hours of labor to provide work for all who are out of employment. If hours of labor are intelligently adjusted to machine output, they maintained, buying will be started, retail trade and manufacturing industries will be stimulated and normal conditions restored.

The San Diego Branch of the League for Independent Political Action in a letter dated April 15, 1932, signed by E. M. Stangland, Secretary, included in its program the adoption of the shorter working day.

Frank C. MacDonald, President of the State Building Trades Council, expressing the viewpoint of organized labor regarding reduction of hours, stated that economic conditions in the country demand at least the six-hour day and five-day work week. He further recommended that this be made a permanent policy, stating that unless action of this nature is taken, unemployment will become a chronic condition:

The essential point is that industry can not give continuous employment to the American workman if it doesn't reduce the hours per day and the number of days' work per week. * * * The safety of America is predicated today on at least the six-hour day and five-day work week. * * * If not, we are going to have a chronic unemployed army—it will be so big that it will take drastic action, and even take the law in its own hands.

Paul Scharrenberg, Secretary of the California State Federation of Labor, also indorsed the proposal for a shorter working day and week:

In the early years of this century, the American Federation of Labor demanded that working hours should be reduced and that the wages of the workers should be increased in proportion to increasing production. * * *

The Trade Union plan provides for a gradual and constant reduction in the working hours and a reduction in the working days a week, and a gradual increase in the income of the workers as they produce more.

It was the opinion of Glenn E. Hoover, Associate Professor of Economics and Sociology, Mills College, that if worthwhile work, like a modern home building construction program for the country, were undertaken there would be no occasion to consider reducing the hours of labor as a means of meeting the problem of unemployment:

I would like to suggest to those who think we should curtail the hours of labor—to rehouse one third of our people would require about nine million new homes, estimated to be about a forty billion dollar project. That is a task which,

I venture to say, even in view of the remarkable efficiency in production, would keep every willing worker in the United States occupied for some years to come.

Max Stoker, representing the Bay Section of the California Vocational Federation, recommended a more comprehensive system of State employment statistics which would make it possible to determine how much shorter the working day and working week should be.

William P. Bell, Personnel Manager of the California and Hawaiian Sugar Refining Corporation,¹ Crockett, explained the experience of his firm with the five-day week. He believed that this should receive the serious attention of industry, both from the standpoint of giving more employment to labor and that of effecting economies in the cost of production by increasing the output per unit. Any savings effected in this way, he suggested, should be divided with the employees to offset the reduction in earnings from the shorter schedule. He advised that hours of labor should be restricted to the minimum number per day and per week that can be given with reasonable assurance that all who are able and willing shall be amply provided with work, stating that, if such a plan were adopted as a permanent policy, the unemployment relief problem would become a thing of the past.

Among the recommendations submitted by Walter G. Mathewson, State Director of the United States Employment Service, as a means of dealing with the problem of unemployment, was a permanent shortening of the hours of labor in State and municipal employment as an incentive to private industry:

* * * I would like to see a definite shortening of the hours because machinery has displaced a great many men. It is estimated that it has displaced about one-fourth of the workers; and if it has, they are never going to be absorbed until the hours of labor are reduced. The staggering of employment, of course, is very nice during a period when you can extend some relief to the fellow who isn't working, but there is no real permanency in anything that is done in that way. I think the hours should be definitely shortened, and that should be done at least in State and municipal employment through proper legislation, and employers might be induced to follow along the same lines.

George H. Benioff, fur business, San Francisco, advocated shortening the hours of labor to four days a week as a means of dealing with technological unemployment:

Every time we put in automatic machinery, we throw a great many people out of work. Every time different corporations form a merger, about 40 per cent of the people are thrown out of a job, and the question is what are we going to do with them. There is only one way that I can see that we can take care of them, and that is by shortening the week. We will have to shorten the week to four days, not to five days. Five days, at the present time, with the automatic machinery we have—I can't see where it will do much good.

Theodore Johnson, representing the Secretary of the San Francisco Labor Council, proposed that the hours of labor be reduced to six hours a day and five days a week, the wage to remain the same for the shorter working schedule. When the hours are reduced, the wages must be increased, he said, otherwise it means a reduction in the standard of living.

Similar opinion was expressed by Benjamin Ellisberg, representative of the Ornamental Plasterers' Union of San Francisco. "The only

¹ See Exhibit 12 in Part II B.

sensible way of trying to alleviate, if not entirely overcome this crisis," he said, "is to shorten the hours of labor and increase the pay."

Martin Wise, unemployed machinist, San Francisco, stated that in his opinion the shorter working day is only a temporary measure and can not solve the problem of unemployment. He felt, however, that the fact that there has been no reduction in the hours of labor since 1914 is largely responsible for the present situation. Had normal development taken place, hours should have been reduced to seven a day by 1922, and to six a day and five days a week by 1931.

George Morris, San Francisco, representing the Communist Party, also advocated reducing the hours of labor.

The Family Relief Society¹ of San Francisco recommended among other proposals, permanent reduction of the hours of labor to six hours a day and five days a week.

Similar recommendation was made by Herman Boren, unemployed milling machine operator, San Francisco.

Felix Flugel, Professor of Economics of the University of California, felt that reduction of the hours of labor would be a benefit, provided it does not involve a corresponding reduction in compensation.

As one means of meeting the unemployment situation, Ira B. Cross, Professor of Economics of the University of California, suggested reducing the hours of labor. He pointed out that previous reductions in the hours of labor have not demoralized workers as some predicted would be the case, and suggested further reduction of daily hours to seven or six and the adoption of a five-day week. Many employers, he stated, have adopted the five-day week. "Why not permit the working people to enjoy the benefits of the machine," he asked, "rather than permit these benefits to be enjoyed almost exclusively by those who control the machine?":

In regard to restricting hours of labor, I would say by all means reduce the hours of labor. Many people are very much worried that if you reduce the hours of labor to seven or six a day the working man will have nothing to do. He will go around to the speakeasy or poolroom and waste his time. The same old arguments were made when I was a youngster working ten hours in a factory and we wanted an eight-hour day, and they said, "No, if you have an eight-hour day you will go to the corner saloon and get drunk." We have an eight-hour day now. However, it seems to me what we can do is what we have done in the past. We used to work fourteen hours a day, ten hours a day, eight hours a day now. There is no reason why we couldn't reduce the working hours more than that, drop them to seven or to six, or we can cut off half a day on Saturday. Many of you older men in the room remember when you asked your employers for a half holiday on Saturday. It was unthinkable. We have the half holiday on Saturday and many employers are working only five days a week, and our morals did not seem to deteriorate any. Our families are in fairly good shape. It seems to me, therefore, we can reduce the number of hours a day and we can also reduce the number of work days a week.

J. H. Quinn, President of the Building Trades Council of Alameda County, stated that he believed the concrete solution of unemployment is shortening the hours of labor. He suggested that the State Unemployment Commission recommend that on all State work the six-hour working day and five-day week be established.

¹ See Exhibit 15 in Part II B.

William Spooner,¹ Secretary of the Central Labor Council of Alameda County, referring to the subject of shorter hours, said:

Another fundamental measure which is certain to come, just as surely as the twelve-hour day was finally reduced to the eight-hour day, is the change to the six-hour day. It would be far better if this change came quickly, rather than as a result of prolonged and costly struggle between capital and labor. To this end the weight of governmental influence should be thrown as far as possible. Legislation recognizing the six-hour day as the basis of all public works and in all public employment can certainly pave the way for a readier adoption of this fundamental relief for unemployment. I would go further and urge governmental intervention in industry to the extent of legislation providing for the general adoption and application of the six-hour day.

Ernest Held, former cabinet worker, Oakland, suggested that the displacement of men by machinery might have been checked by earlier reduction of the hours of labor:

We worked entirely too long a time for eight hours. If you go back in history you will see the working time was always being shortened. When I began my trade, I worked twelve hours a day, then eleven, and then ten, then it came to nine hours and finally to eight hours; but we have waited too long to cut that eight hours to six, because during the good times we forgot ourselves—we all had money and we forgot about that. We were caught by surprise in the invention and efficiency of machinery. If we had known twenty-five years ago what it would be with the machines, we would have made provision, but we didn't, and now we are caught as fast and unexpected as anybody else. The six-hour day is the proper amount, and it should be brought about.

A. R. Stephens, laborer and salesman of Oakland, stated that the Unemployed Council proposes a seven-hour day and a five-day week.

Hubert Phillips, Professor of Social Science of the Fresno State Teachers College, was inclined to feel that shortening the hours of labor would assist, providing the reduction in hours is accompanied by an increase in the hourly wage.

Gerald H. Catania, representing West Fresno Unemployment Committee, suggested legislation to restrict the time that stores may be open, as a means of reducing the hours of labor.

Samuel S. White, Editor and Manager of the Kern County Union Labor Journal, speaking for the Kern County Labor Council, submitted a resolution² by his organization for the enactment of legislation establishing a five-day week and a six-hour day in all branches of the public service as a means of distributing employment among a larger number of citizens as an incentive to private industry. Mr. White, expressing his personal views, favored legislation reducing the hours of labor in private employment.

C. H. Rohrer, Bakersfield Building Trades Council, representing the Kern County Labor Council, said that his organization is interested in a shorter working week and working day, not because it will increase the buying power of the workers, but because they believe it will help to some extent in alleviating the suffering by distributing the burden among a greater number.

W. P. Graham, Secretary of the Culinary Workers' Union, Local No. 62, Fresno, representing the Fresno Labor Council, said that his organization favors the six-hour day and the five-day week. With

¹ See Exhibit 18 in Part II B.

² For text of resolution see Exhibit 20 in Part II B.

reduction in working hours sufficient to absorb all of the available workers, it would be necessary for employers to spread their work among a larger number or else pay a higher rate. He felt that with such arrangement the demand for labor will shortly bring wages up again to a living scale. The majority of thinkers in the labor group, he held, are willing to make a sacrifice at the present time in the hope that if everyone is working, it might remove the fear of unemployment from those who are now at work and induce them to spend more freely. He thought that publicity might be effective in making industry conform to the six-hour day:

I think the shorter work week and shorter work day, on the theory of the law of supply and demand, would answer almost all of these present problems. I think that is what should be done, but, like a lot of others, I wouldn't know how to do it. An emergency measure of some kind might be passed in the State of California, whereby it would come to be a matter of law or rule, that no one work but six hours a day. And then you would have to make regulations for these small shop owners and the many hours they work—that would have to be regulated, because if they are not regulated, they would be in competition with someone trying to pay a living wage and working their help six hours. Whether or not it would be necessary to police them if you had such a rule, I don't know. I believe publicity would keep most of them in line. * * *

Publicity might make people conform to the six-hour day, even though they are in their own business. If they were all posted on the public square and in the papers as people who were not conforming to the law, it might go a long ways towards making them conform.

Carl Patterson, representing the Unemployed Council of Fresno, referring to the proposal for shorter hours, said that the establishment of a six-hour day and five-day week, without any radical raise in wages, would mean pauperizing the entire working class of the county and State.

Reverend James G. Dowling, of the Catholic Welfare Society, Fresno, favored the proposal for a five-day week and a six-hour day. The principal problem at the present time, he said, is to put as many men to work as possible and to put as much money as possible into circulation. He felt that if work is to be secured for each man, it is necessary to cut the hours of labor.

William Goldberg, Fresno, representing the Socialist Party, said that the Socialist Party favors the shorter working day.

R. M. Moorehead, in a paper submitted at the Fresno hearing, recommended reduction of the hours of labor.

F. L. Strong, Registrar of the County Welfare Department of San Joaquin, questioned whether restriction of the hours of labor would bring about greater employment opportunities. "If it means giving more work to more people," he said, "it would be helpful. But it means giving more time for recreation, and these people aren't looking for recreation, they are looking for something to eat."

J. Lubin, Personnel Manager of the Red River Lumber Company, Westwood, did not regard shorter hours a solution of unemployment, although he considered shortening the daily hours and employing more persons a more satisfactory arrangement than the stagger system and rotation of work. The shorter hours, however, with a reduction in

earnings would mean, he felt, a lowered standard of living. He questioned whether this is advisable:

Question by Commissioner Cushing

Q. Have you given any consideration to the matter of the shorter working week and shorter working day?

A. That will not solve the problem to my mind. We are doing that. We have experimented in the three ways—we have experimented in the rotating of jobs. It was unsuccessful, it is an economic waste. There are two sides to consider, the side of the employee and the side of the employer in making the business pay. Rotating, in our opinion, is an economic waste. When a man stays out a day and another takes his place, there is too much waste in the operation. Shortening the hours and putting on more people—we are doing that with much better results. In other words, our normal time is a ten-hour day. Today we are working eight hours, and some departments only six hours, in order to have more people at work. But the shorter working day doesn't completely solve the unemployment by any means for this reason. It simply means less wages; and when you stop to consider that in the lumber industry, say a man is making thirty cents an hour for eight hours a day, and then picture in your mind that he may have a wife and three youngsters, it's pretty hard; whereas it might be better to have the ten-hour day and fewer people working, and then at least those working in that industry could live. And I personally have always favored the latter method.

W. B. Jenkins, Manager of the Sacramento Community Chest, felt that a reduction in the hours of labor would be of some assistance. He suggested that an eight-hour day on a five-day weekly basis be established first, and if this is found inadequate, that the hours be further reduced.

J. L. R. Marsh, Secretary of the Federated Trades Council, Sacramento, suggested as a means of assisting in stabilizing employment and meeting the problem of displacement of trade skill, the enactment of State legislation for a shorter working day and working week at existing wage levels:

There is not any trade of which we have experience, that is not being subjected to the same general tendency for increased machine production and improved technological operation and process; and the answer of course would naturally be the same, a properly socialized distribution of the results of industry.

In this connection, the American Federation of Labor has a definite proposal: the shorter working day, to give adequate opportunity for every worker to have a chance to produce that which he needs and that which his dependents need; the shorter work week, for the same reason. And if we are going to maintain organized society as it is without a dissipation of our living standards, we must at the same time require the existing, or a better wage scale. Going back to our previous understanding of industry, as it is being conducted as a matter of profit, it will become a serious question in the way of practical legislation, I feel, for the State to enact such law as will lead employers into that general feeling that wages should be maintained at the present standard or above, even with a decreased number of hours' employment for the individual on the job.

George F. Mitchell, locksmith, Sacramento, representing the Unemployed Council, said he favored reduction of the hours of labor with full pay for the shorter schedule.

F. W. Holmes, migratory worker, Sacramento, suggested as a permanent policy, the six-hour day and a four-or five-day week with full pay.

The Committee on Stabilization of Employment of the California State Chamber of Commerce,¹ in a memorandum submitted subsequent to the public hearings, expressed the opinion that reduction of hours

¹ See Exhibit 22 in Part II B.

of labor is necessary in view of the smaller amount of work available and the need for spreading the employment over a fairly constant working population. It was, however, the opinion of the Chamber of Commerce Committee that the adjustment should be left for industry to work out and should not be a matter of legislation:

* * * Varying and flexible reductions in hours of labor appear necessary, in view of the smaller number of man-hours of work available, and the problem of spreading less work over a fairly constant working population.

Reduced hours of work per capita should be worked out by industry, and should not be attempted by legislation.

Restriction of hours of labor should not be governed by permanent policies, but should be flexible according to changing conditions and variations in industries.

PUBLIC WORKS

Advance planning of public works to be released during periods of depression; the establishment of a reserve fund to provide for such a program; and the creation of a central planning commission to direct it was another recommendation that received much support. Several economists, the majority of the representatives of organized labor and some of the business and professional men who testified made recommendation to that effect. A State program of public works was advocated both as an emergency relief measure and as a means of stabilizing employment.

There was fairly general agreement as to the value of public works for relief purposes. Opinions differed somewhat, however, with regard to the wages to be paid on such work. Representatives of some of the welfare organizations felt that a lower rate than customary is warranted since it would permit the employment of a larger number of the unemployed and at the same time serve as an incentive to those aided to turn to private employment as soon as opportunity offered. Organized labor, on the other hand, urged that the prevailing rate of wages should be paid on all public undertakings in fairness to the employees on the job and as a safeguard against general wage cutting.

Anthony Pratt,¹ Secretary-Manager of the Municipal League of Los Angeles, recommended a continuous program of public works and public improvements which could be expanded or contracted according to the existing labor market. As examples of useful public works which could be conducted in such a program, Mr. Pratt enumerated flood control in the form of check dams; reforestation; the building, widening and straightening of highways; and improvements for highways safety:

There are today millions upon millions of dollars worth of government work in one form or another that should be under way to absorb the ten or more millions of our surplus labor at the present time * * * work that would not add one item of products in competition with private business, but in the doing of which millions of dollars worth of the products of private industry would be absorbed, products that at the present time are a glut upon the market. These projects should at all times be under way and expanded or contracted according to the labor surplus existing at the moment. The wage for such labor should always be below that of like work in private industry so that no man would stay on it longer than he must, but would be tempted by the higher wages of private employment to become more efficient so as to be in demand by private employers.

Such government employment should and would be the labor recruiting ground of private contractors; but since government work would always be available, no

¹ See Exhibit 1 in Part II B.

man would be forced to work for private contractors at wages or under conditions less favorable than a decent government would approve for its citizens and potential defenders in case of war. This would tend inevitably to keep wages in private employment up and to maintain in private employers a due regard for the welfare and rights of their men. Labor should be alert as to approving such a program. It is inconceivable that unionized labor should be opposed to it, for it would reduce vastly the competition for jobs in private employment.

J. W. Buzzell, Secretary of the Los Angeles Central Labor Council, stated the objection of organized labor to any lower wage on work conducted by the State to afford employment than would ordinarily be paid. Such a practice, he said, is unfair to the worker who receives the reduced rate and it encourages private industry to cut wages:

We believe the State should control all public operations to the last degree that it is possible under our legal system to reach in so far as its employment is concerned. We are thoroughly opposed to the theory that work that may be created in times like these to absorb unemployment should be paid for at a lesser rate than is paid for by the State in its regular program, or by private industry in the same kind of work. Not only are we objecting because it is obviously unfair for the State to take advantage of a man's hunger; but the State should be getting useful work done and consequently pay for it; and another reason is because when the State reduces the rate of pay, private employers further reduce wages lower than they ordinarily would.

I. K. Loomis, real estate man, Los Angeles, advocated instituting public works and public improvements as a means of taking up the slack of idle labor and correcting existing conditions. Public improvements undertaken for this purpose, he held, should not be makeshifts but should represent worth-while work that would be of real value to the public and worth the money expended. As suggestions of the kind of work that might be conducted by the State in this connection, Mr. Loomis mentioned highway improvements and flood control:

There is a certain amount of idle labor that has to be taken care of by public improvements. These public improvements are not to be makeshifts. We want to produce something valuable to the country as a whole, something that is worth the money that is paid for it * * *

What are some of the things then that are large enough to take up the slack of all the idle labor? Immediately comes the thought of the highways, and that is probably one of the greatest of all * * * we have plenty of roads that ought to be improved * * * I want to bring you the thought that whatever is done should be planned with the percentage of wages sufficiently less in that sort of work so as to cause labor to flow from that to industry, as industry needs it or, I should say, as industry can absorb it.

Another great investment that could be made in improvements worth dollar for dollar to the people, is the flood control. The millions and hundreds of millions lost every year by lack of adequate flood control is not confined to California * * *

John C. Austin,¹ Chairman of the Southern California Division of the President's Organization for Unemployment Relief, recommended that legislation should be enacted providing for advance planning of public works and for setting up reserve funds for such work and creating a planning board to direct it.

Gordon S. Watkins, Professor of Economics, University of California at Los Angeles, favored establishing a reserve fund for constructing public improvements in times of depression:

¹ See Exhibit 2 in Part II B.

Questions by Commissioner Splivalo

Q. Do you believe that governments—State, county, municipal or Federal—would be doing better from a material as well as a social standpoint by holding public improvements at a minimum during times of prosperity and staying out of the labor market when labor is in demand and setting aside a cash reserve during such periods to aid in financing and doing such public improvement work during times of depression when labor and materials are cheap?

A. Absolutely, for this reason. In times of prosperity it is practically impossible to carry on public works without competing with the employers, and thereby, of course, creating a scarcity of men in the market. Moreover, it is much easier to float bonds in times of prosperity than times of depression; and because that is true, the time to build up reserves is in times of prosperity, and spend them in times of depression.

Q. Assuming that the Federal and other governments have plans drawn for public improvements which are to be carried out within the next ten or fifteen years, would the Federal or other governments be saving money by floating bonds and doing the work now?

A. I think without any question. Of course, the other side of that is that from the standpoint of underwriters the question of bonds today would have a tremendously depressing effect on the bond market. The answer, of course, is in the affirmative.

C. F. Grow, General Representative of the International Association of Machinists in the western part of the United States, advocated the immediate undertaking of a large public works program by the State and municipalities. As an illustration of what California could do in this connection, he suggested the conservation of the water and power resources of the State and urged building at the present time all public buildings that are needed, road construction work and the encouragement of private building:

We of California should immediately plan to conserve all of the water and power resources of the State; for soon we will be confronted by a shortage of water owing to our rapidly increasing population and industries. Already we are feeling this shortage. Every available drop of water should be made ready for use. To delay much longer is to stagnate in growth and progress. Now is the time to engage in the development of these necessary conservation projects, especially when material and labor are available at the present moment so that the work could be done economically.

We should take advantage at this time to build all public buildings that are needed and also encourage private building, and also road work that could be planned ahead; as this should be an attraction for the residents of our State and in particular for the visitors that could be induced to come and enjoy themselves with our climate and scenery, in all parts of our State.

Henry Gray, Economist, Los Angeles, speaking for the Prosperity League of California, also recommended the immediate undertaking of public development projects by the State to give work to the unemployed. He advocated a \$10,000,000 bond issue to raise funds for these projects and urged that a special session of the Legislature be called to act upon this program.

As a means of meeting seasonal unemployment, A. R. Gifford, President of the Los Angeles District Council of Carpenters, advocated advance planning of public works. The wages on work for the State and municipalities, he felt, should not be below those paid in private employment:

Now comes the question of seasonal occupation. We can only speak for our own craft. There are periods in normal years when men are fairly well employed, and there are other periods in normal years when there are slack times. Why

that cycle, I do not know, but we do know it exists. We believe some constructive relief could be had for that by the State planning to do its work at times when private employment is slack. Those periods can be determined because they occur at the same time year after year. We do not know the cause, but we do know they occur year after year at certain fixed months. We believe that would be our real relief. We believe all public works that are done should be of a nature that return some value to the taxpayers who eventually have to pay the bill. We believe that can only be done by planning your work well ahead. It is possible for the State to do this work, or a large amount of it, at a time when private employment is at its ebb; and we believe a lot of what is called relief work could be avoided—that the work done would turn back to the people a complete job of a real value to them. These are the things we are most concerned with.

A. W. Hoch, President of the California State Federation of Labor, felt that the State should help in the matter of unemployment relief by providing public works and improvements. He cited as work that might be carried on in this connection, extension of State institutions and flood control projects.

J. H. Nishwitz, laborer, "representing a group of the unemployed of San Bernardino," said that legislation should be enacted to provide for advance planning of public works and for setting up reserve funds to be used only in periods of depression. Certain public works should be rotated and held in abeyance for such times as the present.

As a relief measure, the Los Angeles Chamber of Commerce,¹ recommended increasing public works construction during times of business depression, suggesting in this connection that the State build up during normal times a reserve fund for this purpose which would be available only in periods of general depression:

The Los Angeles Chamber of Commerce is of the belief that public works and construction should be increased during times of business depression and suggests the propriety of the Federal government and possibly the States themselves building up, during normal times, a reserve fund wholly for this purpose. It goes without saying that such funds in adequate amounts can not be appropriated during times of business depression when the need for tax reduction is desirable. Therefore they should, in our opinion, be developed as above suggested, to be available only in times of national business depression and set up and controlled free of political manipulation. We feel that the machinery for this setup is now available in the various governmental departments.

According to the Committee on Stabilization of Employment of the California State Chamber of Commerce,² the timely execution of programs of essential public works unquestionably is an important relief agency during periods of unemployment. They felt, however, that too much emphasis has been placed on the emergency relief benefits of public construction; as a majority of the unemployed are of a class of wage earners unfitted for this type of work, and can not be shifted in a mass from normal work to emergency construction:

From the long-time viewpoint, governmental projects can be more largely timed during periods when normal employment requirements of private business are at lowest levels. Orderly planning in this respect makes possible more orderly budget provisions and tends to reduce the necessities for emergency action.

Adequate organization appears to exist in the State Department of Public Works to administer State construction activities along sound and constructive lines, and legislation of the character suggested appears both unnecessary and undesirable.

¹ See Exhibit 6 in Part II B.

² See Exhibit 22 in Part II B.

The committee recognizes a *limited utility* in public construction as an employment relief measure; but feels that efforts to have governmental authority undertake improvement projects for the sole and only purpose of providing employment is both wasteful and economically unsound.

E. H. Dowell, Secretary of the San Diego County Federated Trades and Labor Council,¹ speaking for the committee of the Federated Trades, recommended as emergency work which the State might provide, reforestation denuded areas, developing State Parks, connecting parkways, clearing underbrush, dredging the estuaries, providing flood control and conservation work. He advocated the creation of a public works planning commission to consist of representatives of welfare agencies, union labor, State park associations, and engineering societies. This commission should start at once, he said, on a plan of major public improvements and prepare the necessary plans and specifications and the method of financing the same:

There is sufficient work to be done * * * to create sufficient stimulus to revive mercantile industry and provide employment for office and store workers.

Long term planning of public construction, as a means of stabilizing employment, was recommended by Harold W. B. Baker, Superintendent of the Junior Employment Bureau of the San Diego Schools.

The San Diego Branch of the League for Independent Political Action included among its recommendations for a relief program that the State start useful public works.

Frank C. MacDonald, President of the State Building Trades Council of California, recommended advance planning of public works by the State. He pointed to the need for building retaining dams to insure a supply of fresh water for every district in the State, and the need for a modern building program for cities that could be intensified during periods of depression:

The ablest economists in America are practically a unit in urging advance planning. I believe it is the duty of the State to create a commission to study the best methods to apply to advance planning; that it is the duty of any political subdivision of the State to do likewise. If you have confidence and faith in America, then we are prepared to go ahead with development through the medium of bond issues. * * * In California, in our mountains, thousands of men can be given continuous employment for years, building great retaining dams to hold the waters that are now allowed to rush on, in the spring, when the snow melts, into the ocean. The rest of the year we sit down and cry about our arid lands. Those men can be given work in building those great dams that will insure us an abundance of fresh water for every district in California. We have allowed, up until this year, and this year we dealt with it in a very limited way, our forests to burn each year. We have allowed our great parks, that constitute part of the beauty spots of the world, to be devastated and ravaged by flames. * * *

* * * Those forests are part of the water conservation factors that nature has established. We are allowing them to be devastated. By protecting them to the extent of a few thousand dollars, we are doing a most profitable work for protecting California. Your parks bring millions of dollars annually by the tourists that come to see our beauty spots, and so I say there are great opportunities there.

We have cities in California where the sewer systems are a disgrace to our so-called civilization. In the State itself, I made an investigation two years ago, and I think the same condition maintains. Because of inadequate housing we found the insane being compelled to sleep on the floors of our State institutions with only a mattress to lie upon. What a challenge to our Christianity and civilization! Had we had scientific advance planning we could have prepared to

¹ See Exhibit 9 in Part II B.

meet the need for such things, and carry on a building program that would be intensified during periods of depression; so when and as private employment threw men out of work, we would give that employment, to men thrown out of private industry, in public construction works of various kinds. That would tend to prevent the abnormal condition where we find men working all kinds of overtime—an unnecessary condition.

A public works program was recommended by William P. Bell, Personnel Manager of the California and Hawaiian Sugar Refining Corporation,¹ Crockett, as a means for providing regularization of employment.

As a means of taking up the slack of seasonal employment in private industry, Walter G. Mathewson, State Director of the United States Employment Service in California, recommended the creation of work by the State and municipalities. He further recommended the placing of orders by public departments with the stipulation that they shall be filled during periods when work is slack:

Now, I do not feel that this commission, or the Legislature, could do a great deal toward getting an employer to create work, or do his work at the period that others were releasing men from employment, because of the fact that there must be certain slack periods in his business; and he will not care to spend money then, not knowing what the future has in store. But I do feel that the state and municipalities and counties could create work then; and they could go further than that even, and place their orders for commodities—cement, lime, plaster, lumber, gravel and many other things that they will need. They could place their orders with the stipulation that those orders be filled during the periods when some commission, such as your own, would advise them that there was a release of so many workers in California. I think something could be worked out to take up this slack, and I am deeply interested in seeing this commission take up this phase of it.

I would also like to see them do something regarding work that should be created at times when our seasonal work ends. We have a State that has a great deal of seasonal work attached to it. All of the work in connection with the northern lumber camps, in connection with the fisheries in Alaska, work in connection with the fruit and vegetables—there are peak loads that require a great many workers; and when it ends, workers are released from employment and there is nothing for them to do.

Felix Flugel, Associate Professor of Economics of the University of California, speaking of public works in connection with unemployment, stated that he could not see that this is a solution of the problem, although he admitted it is one way of employing a certain number of workers:

Question by Commissioner Cushing

Q. Have you given any thought to the matter of public works as a means of aiding in a temporary solution at least?

A. Of course, it is one way of employing a certain number of workers; but I can not see that that is the solution of the problem at all. Pretty soon, unless our depression undergoes a modification for the better, we will have the whole country littered with nothing but public buildings. I would be afraid of that process.

According to Ira B. Cross, Professor of Economics of the University of California, an extensive program of construction—putting up public buildings, building homes and similar work—is the best remedial measure at the present time. It would be of distinct benefit as it would give employment directly to working people and greatly

¹ See Exhibit 12 in Part II B.

relieve the existing situation. He felt that under the present state of society, that is the best remedial measure; and although it is only palliative, it is far better than handing out charity:

I have always been a strong advocate of public works. * * * It seems to me the only thing we can do is to put through a big program of public works such as we have attempted in California.

A program of long range planning of public works was advocated by William Spooner,¹ Secretary of the Central Labor Council of Alameda County, as one means of dealing with the problem of unemployment.

In this connection, he recommended an amendment to make the present law effective:

What can the State of California do in order to keep its citizens employed? A program of long range public works has been suggested again and again and has been enacted into the law; although without the financial reserves having been built up, this law is a dead letter in the State of California. There is no question that such a program would do a great deal of good in maintaining employment at critical periods. And I strongly recommend to this commission that legislation be prepared and proposed by the commission for the purpose of making our public works law a reality.

Therefore, there should be the proper legislation drafted and recommended by this commission for the purpose of building up a very substantial reserve during normal times. In a State the size of California, \$150,000,000 would be none too much; so that this reserve, together with the credit of the State, can be released as necessary to absorb the slack in periods of depression.

Charles W. Fisher, of the Public Welfare League of Oakland, in a statement presented by Mrs. Helen Artieda, said that an extended program of public works promises much but is necessarily limited in its application.

William Goldberg, student, University of California at Los Angeles, representing the Socialist Party, stated that his party advocates long range planning of public works:

In periods of prosperity, there is no reason why we could not set aside some money to be used in times of depression * * *

I am very much in favor of such things as public works, or road work, or the work done in the parks, or anything of that type. I think the city should do this until we get this other relief; and I think it would be very wise to use funds ordinarily used for some other purpose, to be used for giving work of this type to men out of work.

W. B. Jenkins, Manager of the Sacramento Community Chest, said that advance planning of public works constitutes no protection. Public works, he felt, should be carried on continually in such proportion as tax returns permit:

Advance planning of public works and setting up of reserves constitute no protection from the effects of general business depression. Work should be carried on continually in such proportion as tax returns would allow. Preplanning would deflect some expenditure that could be made to prevent another critical economic condition.

J. L. R. Marsh, Secretary of the Federated Trades Council, Sacramento, recommended the adoption of a planned program of public

¹ See Exhibit 18 in Part II B.

works, the funds for which should come from taxes on incomes, inheritances and excess profits:

There is a possibility, in our opinion, of taking up the slack due to all causes of unemployment, in modifying the tendency of the employer to reduce wages, in stimulating the sale of his products by maintaining a purchasing power in the hands of practically all citizens through the development of a planned program of public works. We may not always agree with the city councils and city managers as to the advantage of a program of public work or doing things which at the time do not seem to be absolutely necessary for the community as a business organization. But we try to make a distinction between the community as a business organization and the community as a social organization; and no community is worth the ground it sits on that destroys its social entity. So we feel an ordered program of public works is essential and should be undertaken by the State and all political subdivisions of the State; and that the funds for the payment of those improvements should be derived, not by a sales tax, because organized labor is definitely opposed to a sales tax, but by a tax upon inheritances, a tax upon incomes and a tax upon excess profits.

Rolland A. Vandegrift, State Director of Finance, felt that a planned program of public works could be utilized as a preventive measure as well as a means of relieving unemployment. He advocated such a program to be released during periods of seasonal slumps and general depression, suggesting that the program could be financed through a reserve fund created by a tax levied during periods of prosperity and so arranged as to discourage speculative inflation, mentioning in this connection, the possibilities of a stock transfer tax. He felt that such a program, if conducted on a sufficiently extensive scale, would take care of seasonal unemployment, would help in times of unusual depression and would secure for the government the largest return on its expenditures:

* * * In 1921, the Legislature * * * passed a statute providing for a program looking forward to coordinating public work in the State for the relief of unemployment * * * It doesn't function.

The Board of Control, and that power has now passed to the Director of Finance, has the power to secure plans for the extension of public works, to make inquiry into the conditions of extraordinary unemployment; and then it authorizes the extension of public works to relieve unemployment; to make lists of applicants, and such as that. It doesn't go far enough. There are a number of imperfections which makes it impossible for it to function in a complete fashion * * *

* * * The act doesn't provide for any advance planning in that it does not coordinate planning and financing * * *

Another weakness, there is no provision for restraining public works during periods of prosperity; and during those periods we always insist that all the money we have be spent, and pyramid the demand for labor; and in the end we get the smallest amount for the expenditure.

There is a third weakness, in that there is no specific provision for initiation of a program. There are no indices set up as a guide for the expenditure, as to when we shall start and no method for slowing up the program as unemployment is relieved.

The fourth weakness is in the danger that the program, when once put into operation, will degenerate into what we may call a "made-work" program. There is no benefit in building something for the public that is not useful for the public; for then you use up your reserve in unproductive expenditure, which freezes capital particularly, and will make your next depression only more severe * * *

I have suggested that in order to provide money to finance a public works program for unemployment relief that we levy some tax during times of prosperity that will be general and that will increase as prosperity increases, a tax that may in itself have the effect of decreasing extraordinary and useless increase in the value of the commodity, as measured by the value of the dollar, or the shrinkage in the purchasing power of the dollar—that will have a tendency, in other words, to stabilize the purchasing power of the dollar. There are such taxes and they

can be levied. Then provide for the fund's accumulation and provide for its spending, and the decrease of the tax at a period when the purchasing power of the dollar increases and unemployment increases.

This whole procedure, I believe, will have the effect of slowing down unjustified speculation and providing a fund for unemployment relief. This fund will be accumulated in times of prosperity, ready and available to be used in time of depression for the relief of unemployment, through the construction of economically sound public works, at a time when the largest possible value in material and labor can be secured for the expenditure of this money. It is, of course, assumed that there will be a great accumulation and a stored up labor demand in needed public works during the times of unusual prosperity, which will provide employment in the cycle of depression. The government at the present time builds public works in times of prosperity, spending dollars that buy little, and repaying, ordinarily, in dollars that will buy much. Why not be intelligent and reverse this program, doing at least three things: taking care of seasonal unemployment; taking care of unemployment in times of unusual depression; levying a tax when it can best be paid, and spending it in the benefit of the public, both in the hiring of labor and in securing for the government the largest return on the expenditure.

UNEMPLOYMENT RESERVES AND COMPENSATION

Various plans for unemployment reserves, or insurance, were proposed. These include the Wisconsin single plant type of unemployment reserves and compensation carried by the individual employer; the English tripartite system of insurance supported by contributions from employers, employees and the State; systems carried jointly by the State and industry, and one supported exclusively by a tax on all citizens. The Wisconsin and English plans were most generally favored by those recommending specific systems. A number, however, advocated the establishment of some form of unemployment reserves, leaving it to the State Unemployment Commission to work out the necessary details.

Although there was some opposition from employers' representatives and from a few individuals to any legislation on the subject, the consensus of opinion of those testifying was strongly in favor of the enactment of legislation to provide for unemployment reserves and compensation, or insurance. Such legislation was regarded by several of the speakers as one of the most important measures for bringing about greater regularization of employment. It was favored by them on this ground even more than as an agency for emergency relief.

Samuel C. Haver, Jr., Manager of the Personnel Department of the Southern California Edison Company, expressed his personal opinion against unemployment insurance. The best form of insurance, he felt, is the encouragement of thrift in times of plenty.

Graham A. Laing, Professor of Economics, California Institute of Technology, advocated the development of some form of unemployment reserves, or insurance. The principal claim for unemployment insurance, he said, is that it is the most economical, most efficient and most equitable form of relief for the unemployed. It avoids the great waste due to overlapping in the distribution of charity as a means of unemployment relief. The cost of operation, he felt, can be much reduced from the amount expended administratively by the hosts of unrelated charitable organizations.

It is the most efficient method of relief, he held, because it isolates the problem of unemployment from the accompanying problem of poverty. It is the fairest method of dealing with the situation because the expense can be equitably distributed over the whole of society

including the worker who receives the benefit. He was of the opinion that the relief afforded by an actuarially sound system of unemployment insurance, although small, would exceed the amount now received from public and private charities and at a lesser cost.

In answer to the criticisms against unemployment insurance, Professor Laing stated:

Many objections are offered against unemployment insurance. One is that it will encourage malingering. Experience justifies this to a certain extent—approximately to the extent that fire insurance encourages arson. This does not prevent fire insurance from being desirable.

Another objection is that the unemployed person in receipt of relief from insurance funds will be demoralized. The point does not seem to be well taken. In the first place it can hardly be any worse than the present chaos of indiscriminate charity. And secondly, one may point out that people in receipt of funds from insurance companies who pay on accident policies do not seem to be demoralized. In any case, in the devising of a definite scheme, precautions can be taken.

Thirdly, it is argued that unless the costs were unduly high, the amount of relief that can be given on an actuarially sound scheme, would be relatively small. There is point to this argument; but one may answer that the amount received from private or public charity is still smaller and on the whole, as far as one can estimate, costs more.

Finally, it is said that it is no cure for unemployment. This was never claimed. It can, however, be said that there is no likelihood of any real solution of the problem being attained unless we first know the extent of the evil and the actual costs involved in meeting its consequences. Again let us return to the analogy of fire insurance. Fires still occur, but they are not so disastrous as formerly. Insurance companies combine with municipalities, states and governments to develop standards of sound building and equipment. To that extent they help to prevent the occurrence of fires and to minimize their effect when they do occur. This is to be expected also of unemployment insurance. We shall know the extent of the evil, and that is a necessary first step to removing it.

J. W. Buzzell, Secretary of the Los Angeles Central Labor Council, questioned the wisdom of unemployment insurance although he admitted that it might become necessary here. He felt that if such a system is established, employees should not be required to contribute to the cost. He expressed the opinion that if there is a reduction in the hours of labor on public works there would be little need for unemployment insurance:

Compulsory insurance has as many dangers to it as it has good, in my opinion, but however dangerous it may be, it may become necessary to use. In England, where the best unemployment insurance laws are in effect, there are many things that apply there that do not and never have been applied in American life. To begin with, there both employer and employee contribute; in my opinion, wrong, as the employee should not contribute to the support of a condition for which he is not responsible. Secondly, the trade union movement in England has a greater stand in the law than it has in any other country, and is made by the law in England an actual administrator of the unemployment insurance. There is one feature to unemployment insurance that has a tendency, and easily becomes a tendency, towards driving down conditions under which people work. There isn't any plan of unemployment insurance yet that doesn't have within it, and one of its cardinal principles too, some responsibility of the employee as to the reason of his unemployment, and we know there is the greatest danger that employees will be forced to accept lower and lower standards in order to prevent their employer from marking on the card, when an employee is released, that the cause of his release is the employee's own fault.

Harvey C. Fremming, Director of Employment Stabilization Bureau,¹ Los Angeles County, expressed his approval of a system of unemployment compensation, or insurance, the cost of which should be

¹ See Exhibit 3 in Part II B.

carried by employers, employees and the State. He considered this a measure of primary importance as it would serve as an incentive to industry to stabilize employment, just as workmen's compensation serves to stimulate industry to reduce accidents:

I am not so much concerned with the alarmist who is waving the flag of the dole as a blind against seeing down the road far enough to effect in this State of ours a compulsory type of unemployment insurance or compensation insurance. What is meant by unemployment compensation or unemployment insurance? I do not look on it as simply a dole, or something to be handed to a man when he is out of work as a measure of direct relief; but I am thinking in terms of unemployment insurance or compensation as an actual insurance against unemployment. * * *

If we would just spend a few minutes with a pencil and paper we could see that when we start dropping into these economic valleys if we would only figure how we could spread the available work over the greatest number of people, rather than how we could immediately reduce our pay roll, we would be much better off; because, it seems to me, in that case we would reduce the necessity for the use of the reserves established for the payment of unemployment insurance in the days to come. * * *

I want to put my stamp of approval on insurance against unemployment; and I sincerely hope this commission will find this to be the final, or partially so, solution of this great problem.

John C. Austin,¹ Chairman of the President's Organization for Unemployment Relief, Southern California Division, felt that if unemployment insurance is established, it should be supported by deductions from the earnings or incomes of all citizens:

If an employment reserve and compensation should be created, the funds paid therein should be collected by forced deduction from all employees on all jobs of every type. All citizens should be registered and deductions should be made from all pay checks (employers of labor themselves being required to fix their own salaries and make deductions therefrom). It is not recommended that employers of labor should contribute directly any portion of this fund but that the government should, and that this contribution should be created by special equitable tax upon all employers of labor.

Gordon S. Watkins, Professor of Economics, University of California at Los Angeles, held that while unemployment can not be eliminated for a long time, unemployment insurance offers a definite means of relief to the working classes. He expressed his preference for the three-party system of unemployment insurance in effect in Great Britain where the expense is borne by contributions from employers, employees and the public:

Since we can't solve the unemployment problem completely, and since obviously stabilization is not a complete solution for the time being, then there are two possibilities open to the working class of the nation in times of unemployment. One is public or private charity, in which we are masters and experts at the present time; because no nation's people have received more charity and more relief than the people of this very proud and prosperous nation. The second possibility is unemployment insurance, which I am frank to say to my mind constitutes a much more dignified, democratic, positive and permanent method of relieving conditions of unemployment. * * *

I think myself that the step for this country to take for the long run solution—it isn't a solution of course for the unemployment situation now—is true unemployment insurance, either through the State or the three-party kind.

¹ See Exhibit 2 in Part II B.

C. F. Grow, General Representative of the International Association of Machinists in the western part of the United States, advocated enactment by the State of unemployment insurance legislation:

I strongly urge that unemployment insurance should be established, in this State and in the nation, to take care of people who are unable to secure work during periods of depression. We should not be frightened by the word dole, a misnomer, coined, camouflaged and propagandized to defeat the most sane and practical of emergency relief measures that will more adequately provide relief than the uncertainties of any charitable methods that can be devised, either by individuals, cities, counties, states or the federal government. Under charity the dispensation is very costly, and many who are most needy never receive anything whatsoever. The boldest get the most, while the retiring and modest receive nothing. As many people abhor charity and its accompanying searching inquiries and publicity, they have even starved, or some committed suicide rather than let it be known that they were in dire need. And after all, if unemployment insurance is a dole, what in the name of heaven is charity if not a more baneful dole?

George H. Dunlop, retired real estate man, Los Angeles, referring to unemployment insurance, questioned whether unemployment is an insurable risk:

On the matter of unemployment insurance, the true principle of insurance is that it should take care of that residue of risk which can not otherwise be avoided. The rates for fire insurance would be prohibitive if we didn't have building ordinances and fire departments. It is only the unavoidable risk that can be covered by insurance, and the same would apply to unemployment insurance, in my opinion. I don't think any unemployment insurance could possibly finance the unemployment as it exists.

R. D. Hunt, Director of the Department of Economics of the University of Southern California, recommended a system of unemployment insurance borne by employers, employees and the State. He said that he could not see how it is possible to have desirable security otherwise:

Since the real remedy for unemployment is employment, and since the remedy for instability is security and stability, we should address ourselves as nearly as possible to measures and principles that will meet real issues beyond today and tomorrow. I fail to see that it is possible to have the security that will make conditions tolerable and desirable without some form of unemployment insurance. I am not an expert on the subject of unemployment insurance, although I have given more or less attention to the subject. I believe that it is highly important that there should be cooperation of the forces involved. These forces particularly are what we call the laboring classes, the employing class, and the State. It should not be thought of in any sense as a charitable institution but as a means, a possible means, of bringing about some element of security that is so highly important, in fact, it is imperatively needed. It seems, therefore, to me, that there should be cooperation of the forces of the State and of the employing class, and of the employee class, and that each of these should be called upon to make some contribution of a definite and financial character.

The Social Agencies¹ of Santa Barbara County, in a report submitted by Miss Eva Hance, referring to preventive measures, stated that they consider unemployment insurance one of the measures essential for any constructive program.

Irving Lipsitch, Executive Director of the Federation of Jewish Welfare Organizations and Chairman of the Executive Committee of the Council of Social Agencies of Los Angeles, also advocated as a preventive measure, the establishment of some form of unemployment compensation. He suggested that the cost of such insurance might be borne

¹ See Exhibit 4 in Part II B.

by employers and employees, and if the rate so developed appeared too high, that the State might assume part of the cost:

I think most of us are convinced that there are certain hazards which we can not carry, or afford to carry, as individuals. * * * Unemployment is a hazard. * * * I believe I have the right to say that the worker, regardless of what his position might be, who is employed in one capacity or another, is constantly thinking of the possibility of his being displaced for one thing or another. It is a hazard, therefore, from which there is little permanent escape, more emphasized today than in the days of prosperity. * * * Even though tomorrow everyone were suitably placed and with decent compensation, there is no way except by dividing the hazard among all of us collectively so that the particular penalty, when that hazard arises, shall not be placed on the individual.

Some type of unemployment reserves, or insurance is desirable, according to Seward C. Simons, Executive Director of the Pasadena Community Chest and Council of Social Agencies, and Secretary of the Unemployment Commission. He cited in this connection, the Rochester plan as particularly applicable to an industrial city, suggesting that employers who have made provision for their own employees should be given credit against those who make no effort in this direction.

A. W. Hoch, President of the California State Federation of Labor, Los Angeles, expressed himself as favoring state-wide compulsory unemployment compensation, or insurance. The State Federation of Labor, he said, believes in a tri-party system of unemployment insurance, supported by employers, employees and the State. The State should supervise the work and the employees should have representation on the governing board:

The prevailing thought which I think has been expressed here is the question of unemployment insurance or unemployment compensation. I believe in compulsory unemployment compensation; and if it isn't compulsory, it ceases to be anything. As it is now, certain industrial organizations have unemployment insurance, but that unemployment insurance is only good while that man works for a certain concern; but if he leaves the employ of that concern, through no fault of his own—maybe through sickness or a number of things—and has to go to work for another concern, he loses all that insurance. And at that time he may be at an age where the other concern will not insure him; and therefore the amount of money that he has spent with that one concern on that one insurance is all gone, and he never gets the benefit of it because he ceases connections with that concern. We say that by state-wide compulsory unemployment insurance, this man would always have protection. We believe in a tri-party unemployment insurance—employer, employee and the State.

We say the State should have the supervision or the management, that is, the running of the entire insurance plan. We say that the employee should be in there because after all is said and done, he is taxed anyway; and if he is paying a part in there, he has representation on the Board.

George B. Mangold, Professor of Sociology, University of Southern California, said that unemployment reserves and compensation is one of the measures that must be put into operation if the problem of unemployment is to be dealt with effectively. He advocated the Wisconsin system of unemployment insurance, feeling that by placing the responsibility upon the employer, as is done in the Wisconsin law, industry will be made to plan for the future. The three-party system in effect in England tends to dissipate the energy among three different groups. The logical way, he said, is to have industry meet the cost in the first

instance. In this way, it will eventually be distributed generally over the public:

* * * It [unemployment reserves and compensation] makes a beginning in the direction of tiding over the unemployment of the individual until it is possible for him to make new connections and adapt himself to industry in another way. The thing it does, particularly, however, and which will go a long ways towards lessening the amount of unemployment, is that it puts a responsibility on the employer, the responsibility of looking forward instead of only doing his business from day to day. We will never get out of this slump of unemployment so long as the American employer does not look forward, does not think of the possibility of unemployment just as he thinks of depression of values in the industry; and it is absolutely not sensible to talk about things until business takes some interest in the laborer himself; and we are going to have unemployment from time to time, just as we have been having it during these various cycles every five or ten years when the stress of unemployment reaches us.

* * * I see no reason why one or two of the other states might not very shortly be educated to what has happened in the State of Wisconsin, so as to give us a real beginning of the development of unemployment insurance in this country; and that will be one of the ways of dealing with the problem. It does not get at the roots of the matter, except as it makes the employer begin to think in terms of the long run; and when the employer does that, we are getting at the roots of the matter, although there are many other roots as well.

I want to commend to this commission the desirability of this plan as well as other plans, in order that we may not only be able to tide over the individual while he is unemployed, but will also begin a system that will make the employer think in terms of the future as well as in terms of day to day.

William Session, representing the Unemployed Councils of California, presented the National Unemployed Councils' Workers Unemployment Insurance Bill¹ and their program for immediate unemployment relief. This provides for immediate unemployment insurance at full wages for all workers without discrimination, the cost of the insurance to be carried by the employers and the government, the unemployment insurance fund to be administered and controlled by the workers.

J. H. Nishwitz, laborer, "representing a group of the unemployed of San Bernardino," stated that his group favors a system of unemployment insurance, the cost of which should be carried by industry to serve as an incentive to employers to stabilize employment:

As far as unemployment insurance is concerned, of course we are all in favor of it. We believe that it can be put in force just the same as the Workmen's Compensation Act was put in force. And as far as who shall pay for that, I believe that if you place the burden where it should be, and that is on industry, that they will take such steps then to put it on a basis such as the workmen's compensation law; so that if a man has few unemployed he will pay a less rate and he will endeavor to stabilize his industry so his insurance premium will be less. I believe that can be done.

The Los Angeles Chamber of Commerce² stated it is their opinion that the matter of unemployment reserves, or insurance should be worked out voluntarily by employers and employees rather than by legislation.

¹ See Exhibit 5 in Part II B.

² See Exhibit 6 in Part II B.

A special form of the tri-party system of unemployment insurance was advocated by Arthur G. Coons,¹ Professor of Economics, Occidental College, Los Angeles:

The Unemployment Commission should prepare a plan for legislative action calling for the establishment of unemployment insurance from 1933 on, to be administered from a State fund built up by contributions from the State, the employers and the employees, providing for benefit not to exceed \$10 per week and \$2 per week extra for each dependent. The burden of this should fall upon these three groups as follows: State, five-tenths; employer, three-tenths; employee, two-tenths, with the understanding that all deficiencies shall be made up by the State, but in accordance with the principle that such payments shall be made only to unemployed who are willing to work, and who have contributed to the fund during definite periods of employment. Otherwise relief should be on a lower per week basis. This plan in point of time could become self-sustaining, although it is admitted that applicable actuarial material on unemployment is limited.

E. H. Dowell, Secretary of the San Diego County Federated Trades and Labor Council,² recommended a system of unemployment reserves, the cost of which should be carried by employer and the fund administered by the State:

The employer should bear the same responsibility to the unemployed or seasonal worker as he now does toward his plant, machinery and livestock during shutdown periods. Therefore, we believe the State should demand that the employer set aside and deposit with the designated authorities of the State a sufficient amount to cover the maintenance of his employees during periods of unemployment and he shall further guarantee the payment of the retirement pensions of all of his employees during such shutdown periods.

Questions by Commissioner French

Q. Did I understand you to say that so far as unemployment compensation, or generally called unemployment insurance, your view is that if that is introduced, it should be placed on industry, without contributions from employees?

A. Yes, sir. We have just as much right to expect industry to protect the human elements, as the material elements in the plant, and without the human element they might as well let the plant stay shut down.

Q. Would the State participate?

A. Yes, I think the State should participate, on a basis that would have to be worked out; we can not tell the amount necessary. It would have to be worked out on a per capita basis in order to spread it out over the State. I am not prepared to say how I think that should be done.

Daisy Lee Worcester, Principal of the Worcester School, San Diego, stated that she is for unemployment insurance, although it is not an absolute solution of the problem.

J. H. Rainwater, Manager of the Community Chest, San Diego, predicted that the right kind of unemployment insurance would be one of the principal safeguards against unemployment. Its value, he stated, is not so much in the benefits given to unemployed workers as in the influence it will have upon employers in inducing them to stabilize employment:

* * * We made a study some year and a half or two years ago of the practice of unemployment insurance in all the countries we could find any record of having it, and the peculiar part of it was that the United States and China seemed to be two funny nations. We do not have it. The particular thing that unemployment insurance strikes at is not the payment of benefits to those employed, but making it good business to keep people employed. We remember how business revolted at the idea of accident insurance, and yet it became good business to prevent

¹ See Exhibit 8 in Part II B.

² See Exhibit 9 in Part II B.

accidents until it is safer today to work in a powder factory than to wash windows. A proper plan of unemployment insurance will be found to be one of the major preventives of unemployment in good times and bad.

Harold W. B. Baker, Superintendent of the Junior Employment Bureau of the San Diego Schools, favored unemployment insurance as a means of helping to stabilize employment:

* * * I believe that your unemployment insurance is only one small step in the whole situation. It is not a cure, of course, for the unemployment situation. It does stabilize it. It has no effect whatever upon the periodic industries, the farm industry. The men that go from one section to another are just as essential to industrial America as any other class. Unemployment insurance does not affect those people. It only affects those in the strongly organized and steady industries.

B. R. Greig, newspaper man, San Diego, presented the program of the Workers' Benevolent and Protective Association advocating the enactment of legislation for unemployment insurance to be carried by a tax placed against the employers of labor.

Francis von Haeseler, printer, San Diego, representing the Unemployed Council, urged the workers' unemployment insurance measure sponsored by the Unemployed Councils providing full wages for all workers for the time of unemployment.

The San Diego Branch of the League for Independent Political Action included among its recommendations for State action a system of industrial insurance.

Paul Scharrenberg, Secretary of the California State Federation of Labor, said with regard to unemployment insurance that although it is not a cure for unemployment, it is as valuable as life insurance, accident and fire insurance. He felt that unemployment insurance can never be applicable to very large groups of unemployed men; that it can not help the old when unable to work; that it can never take care of the physically incapacitated; but that it can take care of men who are deprived of work through no fault of their own. He expressed regret that the American Federation of Labor has not yet declared formally and officially for unemployment insurance, but pointed out that one of the largest State Federations of Labor in America has done so.

Glenn E. Hoover, Associate Professor of Economics and Sociology, Mills College, stated with regard to unemployment insurance that he considers this a device of very restricted utility. He felt that it might be desirable to put such legislation into effect as a temporary expedient. In this connection, he favored the Wisconsin plan as an incentive to employers to regularize employment:

* * * I am one of those who believe that unemployment is absolutely preventable; and if it is preventable, I think we will do better in this country if we devote our attention and our thinking to the consideration of the ways in which it may be prevented, rather than to the ways that it may be relieved by unemployment relief or unemployment insurance, or any other of those devices that are postulated on the fact that unemployment will be with us always.

Questions by Commissioner French

Q. Have you considered unemployment insurance in any of its aspects?

A. Well, I have read about it. I have only this to say with respect to unemployment insurance. I am inclined to agree with Professor Charles A. Beard. He says unemployment insurance in his opinion is a device of very restricted utility. Why? Because I think he will agree with me, that unemployment itself is abso-

lutely preventable. If it can be prevented, then there is no need in our scheme for an unemployment insurance system. If, however, we have not the capacity, or the intelligence, if we can not, as social engineers, devise a system that will make unemployment impossible, why then, of course, I suppose the next best thing to do is to establish some kind of unemployment insurance. The only difficulty with that is that unemployment is really not an insurable thing in my judgment. It is not like life insurance—we can predict when a man is, say, forty years old about how long he will live—our statisticians can predict about how many will die this year and the next—but who can predict unemployment? So, too often, these unemployment insurance things break down from an actuarial point of view. The unemployment fund in Great Britain was exhausted, and what happened then? You can not let the people starve, so you have to add to the unemployment fund out of the State treasury, so you are more or less right at the beginning again. It seems it would be a saner policy to see that unemployment is absolutely preventable, because what will you do with the people when the unemployment funds are exhausted? You will have to practice the so-called "dole" or your situation is not relieved. So I agree with Mr. Beard when he says it is a device of restricted utility.

Question by Commissioner Cushing

Q. Would you put it in effect temporarily, until we could correct this unemployment situation?

A. I think I would, but I would hate to have it detract from what seems a more important program.

Questions by Commissioner French

Q. In Los Angeles we had three suggestions; first, that the burden be placed on industry wholly; secondly, divided between employee and employer, and third, proportioned equally between employee, employer and the State. What would you suggest?

A. I do not know that I have any suggestion to make, for the reason that it rather appears to me that in the long run the burden will fall on the community in general. When you have one-third of our productive laborers out of work, that is a burden on everybody, and whether it was paid for immediately out of the employers' pockets or the employees' pockets, I think we will be surprised to see how generally that burden will be diffused through the entire population.

Q. Do you think that there is any advantage in throwing the burden one way or the other, in respect to making it better balanced?

A. Yes, and I think that is the argument for the Wisconsin plan. They are attempting to utilize the unemployment [insurance] scheme in a way that will make employers desirous of regularizing employment as far as possible.

William P. Bell, Personnel Manager of the California and Hawaiian Sugar Refining Corporation,¹ Crockett, stated with regard to unemployment reserves and compensation that compulsory unemployment compensation is on its way and no doubt in a few years will be universal. He felt that a system of unemployment reserves and compensation supported by industry alone, as set up by the Groves bill in Wisconsin, would be an inducement to each industry to regularize employment, as by so doing it can reduce its cost of production:

* * * Considerable experimentation will have to be done before an ideal system can be developed, but like the problem of the Workmen's Compensation Law, ways and means will eventually be found whereby a satisfactory solution will develop for all concerned. The cost will undoubtedly be a charge against industry which it will have to pass on to the consumer.

Milen Dempster, representing the Socialist Party of San Francisco, outlined the unemployment insurance measure his party is sponsoring

¹ See Exhibit 12 in Part II B.

for the State and asked for its endorsement by the commission. The plan proposed would provide compensation for any unemployed resident of the State who is unable to secure work, provided he had been regularly employed for a year previously, such compensation to consist of \$10 a week and \$3 additional for each dependent. The measure would be financed by taxes on inheritances and incomes in excess of \$5,000 with the possibility of partial payment by industry. Mr. Dempster stated that the present method of relieving unemployment through charity drives, Community Chest drives, and similar undertakings, places too large a proportion of the burden on poor persons and employees; that in these drives workers are practically forced to contribute, in many cases when they should not be asked to contribute anything. He felt that unemployment insurance would be far wiser and fairer as a means of relieving distress due to the depression:

We ask that the people do not be prejudiced against it because it will be labeled as a dole. We feel that the present absurd, rather hit and miss, insecure, desperately driven charity system more probably should be called a dole than this unemployment insurance measure. After all, a dole—by that we mean a system in which initiative, self-respect, desire to save and advance one's self, in which those qualities are destroyed and weakened—and surely under the present system, where a man can not get relief until he has used up all his savings; where a man can not be sure of what relief he can get; where the charity agencies are driven from post to post, not knowing next month where their funds are to come from or how large their funds shall be—surely that is a system that discourages a man, that makes him think it is useless to save, that destroys his pride and takes away his self-respect and independence.

Tom Fleming, Organizer of the National Painters' Union, recommended introduction of the unemployment insurance bill sponsored by the Unemployed Council.

Edward Harris, member of Machinists' Union 68, San Francisco, also favored this form of unemployment insurance.

Similar recommendation was made by Charles Bakst, Secretary of the Trade Union Unity League of California.

Orval Swayne, member of the Marine Workers' Industrial Union and Unemployed Council, San Francisco, stated that the workers on the water front are 100 per cent for the unemployment insurance plan sponsored by the Unemployed Council.

Martin F. Blank, unemployed printer, San Francisco, advocated unconditional unemployment insurance and the program of the Unemployed Council.

Miss Eleanor Copenhaver, Industrial Secretary for the National Board of the Young Women's Christian Association, advised, as a means of meeting the general problem of unemployment, a system of unemployment reserves and compensation modeled on the Wisconsin law.

Recommendations of the Young Women's Christian Association¹ of San Francisco include the establishment of a state-wide system of unemployment reserves such as that proposed by the New York Interstate Commission on Unemployment Insurance.

Walter G. Mathewson, State Director of the United States Employment Service, recommended a system of unemployment reserves, the details of which should be worked out by the commission:

¹ See Exhibit 13 in Part II B.

* * * There should be taken from industry enough to carry compensation for those men that are unemployed during periods of unemployment, and I would like very much to see this commission go into that question very carefully, and work out some plan of compensation during unemployment periods.

George H. Benioff, fur business, San Francisco, opposed unemployment insurance.

S. K. Leman, baker, San Francisco, suggested social insurance, including unemployment insurance, as the logical solution of the problem:

In the nation's or the State's inability to provide employment, something has to be resorted to, to provide people with the means to live. There is but one logical source from which relief is to be drawn—insurance—the social insurance fund. That would include all sorts of relief: relief for one that is disabled and unable to work; for one that is ill and unable to work; for one that is not of his own volition unemployed. This would give them the means wherewith to live; this would provide funds wherewith to purchase the necessities of life. People now have no means wherewith to purchase anything, and naturally trades people suffer, manufacturers suffer. And when they suffer they do not need anyone to do the work to produce things; and as a result of that, the small business man and the working man are suffering to extremes. The only ones that are safe are those that have millions or billions. Their desire to acquire more is the prime cause why so many people suffer.

M. Raport, agricultural worker, speaking for the Agricultural Workers' Industrial Union, San Francisco, presented as one of the demands of these workers, establishment of a system of unemployment insurance, the cost of which should be carried by employers.

Theodore Johnson, representing the Secretary of the San Francisco Labor Council, explained the position of the California State Federation of Labor as favoring unemployment insurance. He filed a copy of the recommendations of the New York Interstate Commission on Unemployment Insurance as embodying the principles upon which unemployment insurance should be based.

Benjamin Ellisberg, Representative of the Ornamental Plasterers' Union of San Francisco, recommended social insurance, including unemployment insurance.

J. Feingold, auto mechanic, Secretary of the San Francisco Committee of the Unemployed Council, and Herman Boren, unemployed milling machine operator, San Francisco, also advocated unemployment insurance.

A. Biederman, delegate machinist, San Francisco, recommended insuring every man and woman against unemployment and compelling employers to post a guarantee bond according to the persons employed, similar to the bond which contractors for public buildings are now required to post to insure that the building will be properly erected.

George Morris, communist, San Francisco, advocated the unemployment insurance measure sponsored by the Communist Party, the cost to be borne by a government fund raised by a tax on profits and on incomes in excess of \$5,000, such funds to be managed by the unemployed workers.

The Family Relief Society¹ of San Francisco included among its recommendations presented, one for a system of compulsory unemployment compensation to be maintained by contributions of employers and the State.

¹ See Exhibit 15 in Part II B.

J. P. Rettenmayer, President of the Samarkand Company,¹ San Francisco, stated that his firm believes the subject of unemployment insurance should be carefully studied so that a system may be evolved that is actuarially sound.

Paul F. Fratessa, attorney, San Francisco, in a letter of April 27, 1932, recommended that some form of unemployment and disability insurance be adopted as a substitute for the present pension systems conducted by the Community Chest and other charitable agencies, which will guarantee the residents enough food, clothing and shelter.

Professor Theodore H. Boggs, of Stanford University, in discussing unemployment insurance, stated that the term "dole," which connotes a charity payment, is unfairly and inaccurately applied to the unemployment systems which prevail in England, Germany and certain other European countries. The European systems, he stated, embody the principle of insurance and involve weekly contributions from the workers, together with contributions from employers and the State. He said that the term "dole" on the other hand, may fairly be applied to the system which prevails in the United States; that the American system does not embody the principle of insurance, and in practice has proved spasmodic, irregular and inefficient.

The American plans for unemployment reserve fund legislation proposed by the American Association for Labor Legislation, and the similar plan enacted into law by Wisconsin in January, 1932, are the very opposite of a dole, was the statement made by Theodore John Kreps, Associate Professor of Statistics, Graduate School of Business, Stanford University. He said that these plans seek merely to make state wide what a few enlightened companies already have done of their own accord; that they offer, moreover, the most promising direct stimulus to industrial stabilization that public authority is in a position to contribute. He felt that such legislation will attack the problem of unemployment at its heart.

A. Hougardy, San Francisco, representing the Unemployed Council, submitted the demands of that organization for immediate unemployment insurance at full wages for all workers, without discrimination, the expense of the insurance to be carried by the employers and the government; the insurance fund to be administered by the workers.

P. Somers, unemployed bookkeeper and accountant, San Francisco, also recommended unemployment insurance. He advocated benefits of \$40 a month and \$5 for each dependent.

As a means of meeting the unemployment due to displacement by technological changes, Felix Flugel, Associate Professor of Economics of the University of California, suggested that the State should overcome the situation, at least temporarily, through some form of unemployment insurance. In advocating such a system, he said that for the present it is important that every public-spirited and responsible citizen should place himself on record as being in sympathy with legislation which will remove from the community the feeling of insecurity now so widespread in every section of the country.

Any program seeking the introduction of unemployment insurance should include, he held: first, recognition of the degrading effect of

¹ See Exhibit 16 in Part II B.

public charity; second, finding a permanent cure for excessive unemployment; and third, making adequate provision for those who are unable to obtain remunerative employment. Professor Flugel explained that the form of unemployment insurance which in his judgment is preferable, is one to which the employer, the employee and the State should contribute. He said that it is essential that unemployment insurance be accompanied by a system of old age pensions:

The efficiency of any economic system which finds it necessary to relegate to the scrap-heap, either temporarily or permanently, not merely those who for physical or mental reasons are unemployable, but also those within the classification of men able and willing to work, may well be questioned. If the conditions are such as to compel workmen to withdraw involuntarily from active participation in the economic life of the community long before they have reached the normal age of retirement, then society must in some way be burdened with their care. The responsibility involved may be greatly lightened by drastic reorganization of the present system of production and distribution.

No matter from what angle we attack the present situation, only one observation seems necessary: to sit by idly and watch the endless procession of hungry men willing but unable to find work because of perfectly obvious maladjustments in the system of production and distribution, is not only cowardly but absurd. Our duty is to provide work; failing in this, some scheme of unemployment insurance is not only feasible but in conformity with the principles of democracy and common sense.

Ira B. Cross, Professor of Economics of the University of California, expressed his personal opinion as favoring a system of unemployment reserves or insurance in which the cost should be placed entirely on the employer as is the case with workmen's compensation. He felt that by forcing industry to bear the cost of unemployment, it would be possible to pass these costs back to society in a more equitable manner than at present. Another advantage of this arrangement, he suggested, was that employers would be compelled to take a more vital interest in relieving unemployment, in regularizing industry, and in taking care of their own particular problems than is the case today:

* * * We undoubtedly will have to take a leaf out of the book of European methods. We undoubtedly will have to go to a form of unemployment insurance. We may pattern it somewhat after the English scheme of having the State pay one-third, the employer one-third, and the employee one-third, if we like. In fact, personally, if that were to be worked out in respect to my opinion I would say the burden ought to be placed entirely on the employer. We do that in the case of workmen's compensation in California. * * *

It seems to me the same thing could be done in the case of our unemployment insurance. If industry does not bear the cost of industrial accidents, society has to, and society has to bear it in very unsatisfactory ways. If industry does not bear the cost of unemployment, society has to bear these costs, and this in very undesirable ways.

It seems to me that it is necessary, therefore, for us to place the burden of unemployment upon industry; and then let industry insure against it, as it does against industrial accidents; and thereafter, pass the costs of such insurance on to the public, making the public therefore bear it in a more even manner than is being done at the present time. At the present time, the burden of unemployment is being taken care of to the greatest extent by the poor themselves. The working class families in many cases are taking in their friends, taking care of them, taking care of relatives, sharing their houses with them and sharing their meager food with them. The burden of taking care of the unemployed today is borne, I would say, primarily by the poor people themselves.

A system of unemployment reserves was advocated by E. T. Grether,¹ Associate Professor of Economics of the University of California, as one of the most effective methods of dealing with unemployment. He felt that such a system should stimulate employers to regularize industry and serve to maintain the purchasing power of the masses:

A system of unemployment reserves would not be without evils and abuses. Unfortunately, its effects would be "mixed"; yet its advantages on a proper basis appear to outweigh any of its alleged defects. In so far as employers contribute to such a fund, it should motivate them to provide for stabilized operation seasonally and cyclically. As a general obligation upon industry it should assist in dislodging decadent and parasitical industries more rapidly. Therefore, it would follow, too, that the pressure of circumstances should make for a more effective utilization of our capital resources. More important, however, is the consideration that a general system of unemployment reserves would assist in overcoming one of the most serious difficulties in the alternation of prosperity and depression, viz., the lack of effective purchasing power in the hands of the masses. During periods of "good times" when laborers are more largely employed, the unemployment reserve fund would be accumulating and would be used for investment purposes. Then, as overexpansion in various directions began to appear, evidenced by considerable increase in unemployment, this fund would be drawn upon for consumption purposes. The procedure of using the fund would involve the sale of securities which would transfer capital resources from the capital market to the spending markets, thus tending to reduce the rate of expansion of capital equipment and to maintain the demand in the retail market. It seems inevitable that a mechanism of this sort would tend to even out the irregularities of consumer purchasing and thus tend in part to alleviate the business cycle.

* * * I do not advocate a system of unemployment reserves as a panacea. I see no reason to assume that it is possible or even desirable to achieve a genuinely stabilized industrial order. Our long run problem is to mitigate the severity of our deeply bedded irregularities as largely as possible, and then to work out means to make enforced leisure time socially productive, culturally speaking. A wide, adequate system of unemployment reserves should make a noteworthy contribution to the bringing of security to thousands of workers at present on local doles through no error of their own.

J. H. Quinn, President of the Building Trades Council of Alameda County, referring to unemployment insurance, said that he believed it is in some respects all right. He felt that the average working man does not want charity from anybody but instead wants work.

James H. Doyle, Chairman of the Unemployment Committee of the Iron Moulders' Union, Oakland, recommended, with regard to unemployment insurance, that this should be paid out of the excess profits that are received by industry.

William Spooner,² Secretary of the Central Labor Council of Alameda County, expressed himself as heartily in favor of unemployment reserves and compensation, mentioning the single plant system of unemployment reserves which provides that the payments made by each employer shall constitute an unemployment reserve for his firm. He suggested an extension of this system for the purpose of maintaining and stabilizing employment, and as a last resort for helping displaced employees tide over the period of unemployment:

It has been suggested that certain unfortunate effects of unemployment insurance can be met through the single plant method, so that the payments made by each employer shall constitute an unemployment reserve of his firm and shall be so treated in the accounts. The purpose of this provision is to give the employer an effective

¹ See Exhibit 19 in Part II B.

² See Exhibit 18 in Part II B.

incentive to control fluctuations in employment and make it worth his while to stabilize employment in his own plant, so that his expense for unemployment insurance will be lessened thereby.

I believe that the economists who propose this measure may have the right answer in so far as unemployment insurance is concerned; but as previously stated, the entire scheme of unemployment insurance does not prevent unemployment except in a very indirect way; and even the single plant method proposed would not, as it appears to me, have any marked effect in actually preventing unemployment.

* * * Private employment must be regulated for this purpose. It is my belief that our psychology of private initiative will be better satisfied if the reserves created for unemployment insurance can be used primarily to maintain and create employment, and as a last resort as relief for unemployment.

I therefore recommend to this commission that the reserves to be created in private industry can be released for the purpose of maintaining and stabilizing employment as a preferable alternative to being used for the payment of benefits to the unemployed. Such a method would undoubtedly bring greater difficulties of administration. It presupposes a certain degree of control over business which may be obnoxious to those who still regard the opportunity for employment in the conduct of their business as private property which can be granted or denied at their own selfish will. Employers must learn that in assuming the responsibility for management of industry, they owe a debt to society to manage it in such a way as to prevent the ravages of misery and suffering for which unemployment is responsible.

A. R. Stephens, laborer and salesman, speaking in behalf of the Unemployed Council of Oakland, presented the unemployment insurance bill of that organization.

Charles W. Fisher of the Public Welfare League, Oakland, in a statement presented by Mrs. Helen Artieda, said that his organization has come to feel that compulsory unemployment insurance would help but that the greatest need is economic and social planning.

Mike Daniels, restaurant worker, Oakland, stated that the Communist Party favors unemployment insurance.

A system of unemployment insurance similar to the English system was recommended by Hubert Phillips, Professor of Social science of the Fresno State Teachers' College. He felt that the cost should not be borne solely by industry, as under the Wisconsin plan, as the problem of unemployment is beyond the control of the individual employer; that industry, however, should share the burden. He felt that to be effective, unemployment insurance should be made compulsory:

For a particular industry to share the burden of the maintenance of its employees with the employees themselves during a time of economic depression and unemployment, does not involve the application of an entirely untried principle. American industry has already applied such a procedure to capital in its building up of reserves out of which to pay dividends in slack times. The suggestion made above would simply involve an extension of the same principle to the working man which has already been applied to the working dollar.

But it seems to me that this burden must also be assumed in part by society as a whole. My reason is this. Sometimes a plant is closed down because of a lack of foresighted planning on the part of its management; but there are times, as at present, when the wisest of planning would not have enabled certain businesses to operate and to maintain their usual operating personnel. Nation-wide, or rather world-wide, forces have caused the temporary suspension of work. Therefore, it follows as perfectly fair that the burden of maintenance of the unemployed worker during the period of unemployment should be distributed among the three parties, the worker himself, the industry and the State.

* * * So it seems to me that in this, as in many other phases of social legislation here in the United States, the pioneering must be done by some progressive state or states. I hope that California will do in this, as she has done in so many

other lines of social amelioration, pioneer and point the way to other less progressive commonwealths.

Samuel S. White, Editor and Manager of the Kern County Union Labor Journal, speaking for the Kern County Labor Council, submitted resolutions¹ from his organization, including one favoring the introduction of a system of unemployment insurance to mitigate the suffering due to unemployment. In this connection, it was pointed out that the California Federation of Labor is committed to a policy of unemployment insurance. The following principles, it was held, should be observed in any such system: The State should enact legislation without waiting for a national law. The legislation should be compulsory and should include all types of labor. Contributions should be pooled, as many industries have reached the point where they are unable to support any system of insurance; yet it is the workers in these industries who need insurance the most. The cost of employment insurance should not be borne by the worker; the greater burden of caring for the unemployed should be placed upon those who profit from the machines that take work from men. Taxes on profits, incomes and inheritances should therefore be included in any system of unemployment insurance. There should be a connection between such a system and the State employment offices.

C. H. Rohrer, Bakersfield Building Trades Council, stated that his organization favors a system of unemployment insurance.

W. P. Graham, Secretary of the Culinary Workers' Union, Local 62, Fresno, representing the Fresno Labor Council, said that his organization favors unemployment insurance, but is of the opinion that it would not help in the present situation because of the large number who are out of work and who are unable to contribute to such a fund.

Carl Patterson, tractor mechanic, representing the Unemployed Council of Fresno, presented the demand of the Council for the workers' unemployment insurance bill.

Professor R. F. Aspinall, Continuation High School, Fresno, felt that the cost of unemployment insurance should be shared by those who receive its benefits:

The unemployment insurance method advocated by several speakers today, may solve the problem; but personally, I have never found that which was given me of much value. Only those things which I have purchased, either through my own labor, or the results of that labor, have been of real value; and so it seems to me that some other method is going to have to be evolved first. We should by no means neglect that unemployment insurance; but it should be shared in its cost, I believe, by those who will profit from its results.

William Goldberg, student, University of California at Los Angeles, representing the Socialist Party, submitted the unemployment insurance measure which is being presented by that party.

Mrs. Minnie Jones, cannery worker, and Mrs. Hazel Hayes, farm worker, Sacramento, felt that the only help for the workers lies in a system of unemployment insurance such as that proposed by the Unemployed Council.

George F. Mitchell, locksmith, representing the Unemployed Council, Sacramento, presented the program of that organization and read

¹ See Exhibit 20 in Part II B.

their bill for unemployment insurance. He felt that a system of unemployment insurance is the best method of furnishing unemployment relief. Such a system, he said, should be managed by a committee of workers, the expense borne by employers and the State, without cost to the employees.

F. W. Holmes, migratory worker and E. Polas, restaurant and hospital worker, Sacramento, representing the Unemployed Council, made similar recommendation.

Donald Bingham, baker, Sacramento, representing the Youth Committee of the Unemployed Council, presented the demands of that committee for the unemployed youth, including the unemployment insurance measure.

F. L. Strong, Registrar of the County Welfare Department of San Joaquin, did not support unemployment insurance:

On compulsory unemployment insurance of course there is a certain class that is asking for that, and they are asking for it very strong. The Unemployed Council have been to us, demanding that we get behind it, and we have not done anything on it, and do not intend to do anything.

J. Lubin, Personnel Manager of the Red River Lumber Company, Westwood, expressing his personal views, stated that he favored some form of unemployment insurance.

J. L. R. Marsh, Secretary of the Federated Trades Council, Sacramento, objected to any form of compulsory unemployment insurance, stating that the American Federation of Labor and the American worker are opposed to such a system:

The American labor movement has taken a very definite stand against unemployment insurance. Unemployment insurance savors too much of the dole. The American labor movement and the American working man does not want unemployment insurance. He wants an opportunity, and there is ample opportunity if society will so regulate itself, to make his own way with his own energy and with his own intelligence. He is perfectly willing to work, and resents any system or proposal that would tend to make him the recipient of the dole.

W. B. Jenkins, Manager of the Sacramento Community Chest, advised against setting up a system of unemployment insurance at the present time, suggesting that a better arrangement would be for the State to plan an industrial relations program, leaving it to industry to develop a voluntary system of unemployment insurance:

Unemployment insurance should not be thrust upon industry or made mandatory by law in the height of this economic crisis. Better still, should the State plan an industrial relations program and perfect a better status of social understanding of responsibility of employer to employee. After establishing this program, a more detailed understanding of unemployment compensation could be made effective without a prejudiced assumption that this insurance would choke out industry which at this time is struggling for breath. Industry is becoming more socially minded; and we should provide to make this even more effective so that this insurance is as desirable as our Compensation Act.

The Employment Stabilization Committee of the California State Chamber of Commerce,¹ although not favoring compulsory unemployment compensation, or insurance, endorsed the principles of a voluntary system of industrial reserves as a means of stabilizing employment:

The committee believes that no State, individually, can make effective any system of compulsory unemployment insurance or compensation.

¹ See Exhibit 22 in Part II B.

State compulsory unemployment compensation would place an additional tax burden upon California business organizations, further impairing their ability to maintain present jobs, and retarding their reemployment of additional workers. The committee again emphasizes its belief that reductions in governmental expenditure and taxation are essential to business recovery and the creation of employment.

There appear to be insurmountable difficulties in applying the principle of unemployment reserves to the vast numbers of casual and seasonal labor. No system has yet been evolved to cover these classes of labor. Without permanency of employment, unemployment insurance is not insurance, since no actuarial basis is possible.

The committee believes that the problem of providing for unemployment benefits should be left to private initiative, fostered and encouraged by sound public opinion * * *

This committee desires to emphasize strongly to employers its belief in the necessity of the development of voluntary unemployment benefit plans. The committee believes that business should, upon its own initiative, immediately take steps to set aside from its earnings in financially good years, employment reserves to aid in stabilization of employment; such reserves to protect its employees the same as a surplus protects its capital.

Nationally, 80 per cent of the voting organizations of the United States Chamber of Commerce have endorsed the proposition that—"employers individually and collectively should provide adequate reserves for unemployment and other benefits for their employees."

STABILIZATION OF EMPLOYMENT

Establishment of a State economic council; scientific investigation of industrial problems and more effective fact finding along economic lines; development of by-products for seasonal industries; improved methods of distribution; and the requirement of payment by employers of a dismissal wage were suggested as means for stabilizing employment. Advance planning of public works was advocated by some in this connection. The majority of those discussing the subject felt that the establishment of a system of unemployment reserves or reduction of the hours of labor, or both, is essential to an effective regularization program.

John C. Austin,¹ Chairman of the Southern California Division of the President's Organization for Unemployment Relief, said that manufacturers should be urged to reduce seasonal unemployment by carrying on plant improvements and stock manufacturing during dull periods:

It is, of course, desirable for all employers of labor to attempt to avoid the peak of employment of extra help by so planning their work as to avoid irregularities wherever possible. Alterations in buildings, overhauling of machinery, stock manufacturing should be urged for dead periods. About the only action we see possible is to urge that this be done. Public buildings, etc., should be constructed where possible during depression periods.

As a preventive measure, Irving Lipsitch, Executive Director of the Federation of Jewish Welfare Organization and Chairman of the Executive Committee of the Council of Social Agencies of Los Angeles, recommended organization by the State of an agency to assist in stabilization of employment:

* * * You ask what action, if any, should be taken to promote among employers of labor the practice of regularization of employment in order to do away, as much as possible, with so-called seasonal and other unemployment. May I say as to this matter, that while it is true that it is a subject which should concern primarily those who are experts and have had the practical experience in economics and industry, rather than in dealing with the victims of our industrial

¹ See Exhibit 2 in Part II B.

system, which, after all has been the work of the professional social worker, that none the less some of us believe that unless there be a direct head in the governmental unit, at least as large as is our State, all of these things necessary in order to bring about the regularization of employment, and if possible the reduction and elimination of seasonal and other unemployment [will largely remain undone]. Not much can be accomplished if left merely to the chance of this, that or the other employer, or this, that or the other employers' association. In all of these matters which are as large and as comprehensive as the stabilization of employment, it is manifestly necessary that there should be a central point from which all information and guidance shall emanate; and such a central point probably needs to be established as a result of the deliberations of this committee and of the legislation which we hope will follow.

A somewhat similar recommendation was made by A. W. Hoch, President of the California State Federation of Labor. He suggested a continuous study of employment conditions and the number of workers available:

We of the labor movement have for years wondered why there was not a scientific study made of this great problem; and it is now in the hands of this commission to study this situation, and bring out recommendations. * * * I think scientific study should be made, so that employment should be regularized; that everybody may have a certain amount of employment; so that we do not have to listen to these good men and women who come from these social agencies to dole out money to thousands of men and women that are out of employment, through no fault of their own.

* * * I know the members of this commission are all busy; but I think they could be furnished additional help so that a survey could be made that will be available at all times; so we could know just how many men and women are unemployed, where people can be used in harvesting the fields, etc. In a great measure that would relieve the unemployment situation, and stop people from having to come forward and ask for charity when they really want work.

The Los Angeles Chamber of Commerce¹ urged the importance of stabilization of employment, suggesting closer cooperation between retailers and manufacturers in this connection:

During the present emergency, the Los Angeles Chamber of Commerce has frequently and consistently urged all employers to so arrange and spread their employment possibilities that the maximum number of persons may be given employment. The recommendation has also been made that employers, whenever possible, give their employees assurance as to the continuation of steady work. The Chamber of Commerce recognizes, however, that certain industries, on account of irregular supplies of raw materials or otherwise, are obliged to operate on a seasonal basis. It is of the opinion that this factor can not be modified by regulation.

The Los Angeles Chamber of Commerce has persistently pursued a policy of closer cooperation between the retailers and the local manufacturers in the interest of stabilization of local employment.

As a first step towards stabilization of employment, Arthur G. Coons,² Professor of Economics, Occidental College, Los Angeles, recommended the establishment by law of a State economic council. This council should be advisory in character, with power to recommend to the Legislature, hold public hearings, call witnesses or make suggestions to private industry as to the volume and character of production, methods of marketing and financing and interchange of trade information. Such a council, he felt, would accomplish a great deal in promoting voluntary conferences of the producers of each industry. It could develop on a larger scale what has already been accomplished in

¹ See Exhibit 6 in Part II B.

² See Exhibit 8 in Part II B.

a private way by the State Chamber of Commerce, and could ultimately build up a comprehensive program of research and statistical information.

Further suggestions by Professor Coons in this connection were the enactment of legislation to provide for the registration of all casual laborers and the reporting by employers of their requirements for such labor as a means of making possible the shift of workers from one area of need to another; arrangement for voluntary conferences on the part of railroads and public utilities to plan construction work for the future; and the development by some governmental agency, or by the State Chamber of Commerce, of a program to advertise the agricultural and industrial products of California.

Harold W. B. Baker, Superintendent, Junior Placement Bureau of the San Diego Schools, recommended, as a means of stabilizing employment, requiring employers to pay a bonus or dismissal wage:

There is also the bonus system that has been discussed before various commissions in the United States; that is, compelling an employer when he lays a man off he must pay one day's salary for every month he worked. Employers would hesitate to lay off men under those conditions that have worked for several years.

I really believe that would do as much to stabilize employment as our unemployment insurance.

* * * A definite survey should be made of the possibilities of development of local industries which would utilize local resources. Decentralization of industry would work to the advantage of local communities.

Frank C. MacDonald, President of the State Building Trades Council, felt that a scientific study should be made of possible by-products of California industries that might permit the continuous operation of seasonal industries:

Incidentally, with regard to seasonal employment, my opinion is, I believe, concurred in by a majority of the members of organized labor in this State. We believe that the State should utilize some commission—let us say the Bureau of Statistics and Law Enforcement—for the purpose of making a very thorough study of industry in California, with a view to having industries time their employment so that those industries that are really seasonal in nature can, at the time they displace a group of men, give employment to that group of men in another industry. We have neglected in California industries the question of by-products. We have allowed billions and billions of dollars of useful and necessary things to go to waste; and incidentally, we are allowing men and women to go to waste; and so we feel a scientific study should be made with a view to creating continuous employment in these industries, but we want to emphasize the fact that that is only incidental. Even if all industries in California were put on a scientific basis, they would not be able to give continuous employment to all the working men and women in California. We must reduce the hours of the day, and the working days per week.

Glenn E. Hoover, Associate Professor of Economics and Sociology, Mills College, suggested that the commission ask the State Legislature to memorialize Congress in favor of action to stabilize the price level, and that the national government coordinate the efforts of all agencies toward the solution of unemployment:

I think I will not urge upon you the importance of the price level, because it is apparent that consumption goods are constantly and regularly exhausted and used; and except for the production and construction of things which have seasonal variation, there is no reason in the nature of things why goods should not flow from production to consumption at a relatively stable rate. But just as soon, however, as the consuming public is aware of a drastic decline in prices, consumers

withhold their orders, stocks accumulate, production is curtailed, buying power is reduced because of unemployment, and a vicious circle is created which may continue for years.

I know this commission may not feel that it is within its province to suggest any remedies for unemployment which will involve action on the part of the national government; but I believe our present economic order operates on such a large scale that it is absolutely impossible for California, or any other State in the Union, to solve its unemployment problem alone. And for that reason, I should very much like to see this commission ask the State Legislature to memorialize Congress on this and other points which, in its judgment, would involve and require Federal action.

Max Stoker, representing the Bay Section of the California Vocational Federation, suggested that a more comprehensive system of State employment statistics correlated with data on industrial development would assist in stabilizing employment.

William P. Bell, Personnel Manager of the California and Hawaiian Sugar Refining Corporation,¹ Crockett, explained the measures adopted by his firm in reducing seasonal unemployment and regularizing production. He stated that by means of research work, budgeting production and continuous maintenance, they have been able to eliminate periodic shutdowns and now operate continuously throughout the year.

As a means of dividing work during the depression, Mr. Bell advocated universal adoption of the present known means of spreading work, suggesting that each industry should be circularized urging them to give employment to as many employees as they had during the peak of employment in 1928 or 1929. As another means of providing regularization of employment, he favored a public works building program:

Trade associations have helped to acquaint many employers with the necessity and advantages of spreading work; but the present unemployment situation has been the means of awakening people to the necessity of better planning and regularization of employment more than anything that has thus far happened; and no doubt out of this situation will come ways and means of preventing a recurrence. Any attempt to promote regularization of employment by legislation should be done wisely, however; because the reasons for seasonal employment and, therefore, seasonal unemployment, are usually economic and beyond executive control.

Recommendations of the Young Women's Christian Association² of San Francisco, for dealing with unemployment, including a system of clearing and defining the fields of the nonprofit making employment agencies now operating in San Francisco which will include careful weekly checks on numbers placed, types of placement, trends in jobs and number of new jobs made available; also community planning of all employment work.

Theodore Johnson, representing the Secretary of the San Francisco Labor Council, proposed that the State Legislature authorize some commission or the Department of Industrial Relations to work out plans for regularizing employment:

The first subject matter for your consideration is the stabilization of employment. The remedy to seek to stabilize employment has been advanced for, I believe, the last 20 years; and so far, no plan has been adopted by any State, to my knowledge, which has sought in any way to do anything more than to educate the general public, employers and employees, as to the desirability of providing employment so that it covers not simply a season but the major portion of the year; so that the

¹ See Exhibit 12 in Part II B.

² See Exhibit 13 in Part II B.

workers who are employed in that particular seasonal employment may derive sufficient income for the entire year in order to maintain themselves and their families. So far, it has only reached the stage of education or propaganda, or whatever else you may call it. So I would recommend that on this particular subject the commission recommend to the State Legislature to establish it whereby plans for regularization of employment may be entrusted to some commission or the Department of Industrial Relations.

The difficulty of regularizing seasonal employment was emphasized by J. P. Rettenmayer, President of the Samarkand Company,¹ San Francisco. He felt, however, that this can be done, and urged that employers study the subject:

Obviously, the regularization of employment in a business that is seasonal presents a problem, particularly during conditions such as prevailed during the past seven months. Our experience, however, seems to indicate that it can be done without continued adverse effects upon the interest of the stockholders. It is our hope to demonstrate regularized employment as a sound business policy, and that other employers in California will study the stabilization of employment as a means of unemployment prevention and as a major problem of production and distribution.

The chief aim today should be to establish stability in every phase of economic endeavor, without at the same time creating a condition which may lead to stagnation, according to Felix Flugel, Associate Professor of Economics, University of California. The responsibility involved would be greatly lightened, he felt, by drastic reorganization of the present system of production and distribution:

* * * The extent to which the present oversupply of labor eventually will be reabsorbed into industry is a matter of conjecture and possibly of historic analogy. Undoubtedly it is within the realm of probability that the present situation in the labor market will prove only a passing phase in a period of transition from our present disorganized economy to one highly coordinated and rationalized. Today our chief aim should be to establish stability in every phase of economic endeavor, without at the same time creating a condition which may lead to stagnation.* * *

To arouse public sentiment in favor of regularizing employment is far more important than to quibble about the particular type of unemployment insurance that should be adopted.

Ira B. Cross, Professor of Economics, University of California, said that some seasonal activities, as industrial ones, can be regularized, while others, as agricultural, can not. He felt that as seasonal employment can not be stabilized effectively to take care of all of the unemployed in that connection, it is necessary to look to State aid or unemployment insurance for assistance.

In the matter of cyclical unemployment, he pointed out the necessity of ascertaining the causes and endeavoring to remove them, and of systematizing industry better:

We have different kinds of unemployment. We have our seasonal unemployment. Out here in California, for example, we have our canning industries, where a large number of men and women and children are employed for a few months of the year; and then the canneries shut down. We have our harvesting activities in this State, which require a large number of men and women and children for a very short time; and then they have to pass on to something else. California has been one of the States in our country outstanding because of its seasonal activities.

When it comes to seasonal activities, some of those can be handled in a regularized manner and some of them can not be so handled. When it comes to

¹ See Exhibit 16 in Part II B.

the matter of canning, for example, some of the canning companies, primarily in the East, * * * put in different lines. When they are through canning vegetables, they take up jellies, or something of that sort, keeping the men and women fairly steadily employed throughout the year. That has worked out very satisfactorily in a few cases of progressive employers; but, of course, the greater part of the employers in seasonal industries merely harvest the crops and let the men and women, when discharged, hunt themselves for employment.

* * * Here in California, very few of our canneries have expressed any interest at all in trying to stabilize or regularize the employment of their employees. * * * Seasonal work, therefore, presents an extremely difficult problem. * * *

* * * It seems to me that one of the circumstances we are facing in this State is that we can not regularize our seasonal employment effectively enough to take care of all of our unemployed in that connection; and consequently, we have to look to what might be called State aid or to unemployment insurance to assist.

When it comes to cyclical unemployment, the result of the ups and downs of business cycles, we, of course, have to handle things in a little different way from what we do in the case of seasonal unemployment. We have to strike at the very roots of the difficulties. We have to ascertain what are the causes of the business cycle and see whether or not we can remove the causes and systematize industry better. * * *

Charles W. Fisher of the Public Welfare League, Oakland, urged economic and social planning as a means of stabilizing employment.

Hubert Phillips, Professor of Social Science of the Fresno State Teachers College, recommended that more thought be given to stabilization of employment and proper distribution:

Question by Commissioner Cushing

Q. What thought have you given to stabilization of employment?

A. Well, I have been very much interested in the schemes worked out in certain plants. That shows what can be done in a very remarkable sort of way. There are several illustrations in American industry at the present time. * * *

Of course, in such a time as today, where you have world-wide factors affecting employment, even those schemes might be pretty badly bent, if not broken; but in normal times, there was no excuse for the seasonal work we had in many industries.

* * * There are some industries—I can not see how they will do it; but it seems to me, as I have stated many times * * * that we have given in America a great deal of thought to the end of production of goods until we have been the marvel of the world in the way we can produce. And I have the feeling if we could give some of that brain power to the problem of stabilization of employment and proper distribution, we might solve some of the problems. I think we have to transfer some thought from the production end to this other end.

With regard to stabilization of employment, W. B. Jenkins, Manager of the Sacramento Community Chest, pointed out that the diversification of labor requirements within the State makes regularization extremely difficult. In the case of agriculture, he felt it would be impossible. In the case of industry, it could be controlled, he felt, by the larger employers. In this connection, he suggested that a meeting of the 25 largest employers of labor in the State should be called to devise a plan for regularization:

By reason of diversification of labor requirements within our State, regularized employment in seasonal labor requirements is seemingly a very hard subject around which could be worked any standardization to relieve the problem as a whole.

Agriculturally, this would be impossible; industrially it could be governed by the larger employers who could serve as a basis to smaller firms inclined to accept a certain standard.

A meeting of the 25 largest employers of labor in the State could be called by the commission to devise a plan which would be recognized by the majority as workable. The State Chamber of Commerce has done similar research work along this line—its committee should be represented.

J. L. R. Marsh, Secretary of the Federated Trades Council, Sacramento, suggested that the State might assist in stabilizing the employment of migratory workers by outlining the trend in markets for seasonal products and suggesting the rotation of production in different sections of the State to permit more effective utilization of migratory labor. He also recommended the enactment of legislation by the State to stimulate industry to plan work more effectively:

* * * In the matter of seasonal employment, employers in the past, I have observed, are very prone to wait until the last moment, after having spent considerable time and energy in advertising great prospective work in the near future, and then take advantage of such employees as may present themselves in vast numbers to inflict a low wage scale for those few relatively who are employed. If the State should enact legislation that would in any way modify this tendency, it might be criticised for attempting paternalistic measures or showing a marked socialistic tendency. However, organized labor feels that the State could go far by legislation toward adequately outlining relief in suggesting the trend of markets for the products of those things which are produced seasonally, and in rotating products in different parts of the State so that migratory workers could be moved from one part of the State to another. * * * So the only thing we can suggest in that direction is legislation that, by implication at least, would tend to cause employers in private industry to plan their work and to rotate production.

TECHNOLOGICAL UNEMPLOYMENT

Proposals for meeting the problems of technological unemployment include vocational retraining of displaced workers; vocational guidance in connection with public placement work; requiring industries to retain for employment in other lines workers whose technical skill has been superseded by the introduction of machines; extension of industrial retirement systems; and lowering the age limit for old age pensions. A number of those testifying urged reduction of the hours of labor as the most effective solution. It was suggested that such reduction would extend the effective working life of a man several years.

As a means of meeting the problems of technological unemployment, John C. Austin,¹ Chairman of the Southern California Division of the President's Organization for Unemployment Relief, favored reeducation of workers in trade schools. He claimed that the insurance companies are largely responsible for the arbitrary age limits in industry, and suggested the possibility of having the State take over private pension funds:

Vocational reeducation can meet the displacement of trade skill only to the extent that reeducation is effective; and to be effective, this reeducation must be carried on fast enough to permit the patient to live meanwhile.

The arbitrary age limits in industry, caused largely by the insurance policies as now written, are causing great suffering. The insurance policy and pension fund should be looked at in order that men be not forced out of industry because of the adoption of pension funds and insurance policies. There are cases where the directors of a company in good times have adopted the insurance policy with pension, while later executives have discharged men before their pensions were due to keep from having to dip into the pension fund. Employees contributing to pension funds should be considered to have some sort of vested right in their

¹ See Exhibit 2 in Part II B.

jobs. It is possible that pension funds should be taken entirely away from the employer and placed in the hands of the State or nation.

The carrying of Workmen's Compensation Insurance by the State instead of private concerns was suggested by A. R. Gifford, President of the Los Angeles District Council of Carpenters, as one means of checking age discrimination in industry:

There is another evil that enters into it, and that is through the insurance carrier—the limitation of age to which men can be employed. We have had concrete actual demonstration of this. When a man has reached, say 45 years of age, and many times far below that, there is a large majority of employers that do not want to employ him. There is a keen desire to employ only that part of our labor which can, to use the common term, "hit the ball." That means speed up, irrespective of quality, and irrespective of the benefit of years of experience after having learned a trade. The thought in our mind is that in State work, where work is done by the State, we do not find the discriminatory practice in regard to age the same as on work which is carried by the private carrier. For that reason we feel that were the State to be the insurance carrier, our people would profit. We believe all of that should be handled by the State.

Similar recommendation was made by A. W. Hoch, President of the California State Federation of Labor. He advised that a study be made of the situation and recommendations presented for legislative action:

Another thing I wish to suggest to your committee to give deep and serious thought to * * * is taking some action on the insurance companies, whereby they prohibit men and women from going to work after they reach the age of 45 and 50 years. As it is now, many men and women who have exceptional ability in their particular lines, have the knowledge and the training, and would be glad to get, and would be able to get positions in certain concerns, are denied that right, because the insurance rate would be higher on that particular employee; and therefore the concern is not hiring them. We think this commission should make certain recommendations to the next Legislature along these lines. * * * We think by having these things brought out, it will bring a certain amount of relief; and I feel that by a scientific study, this can be done.

The Los Angeles Chamber of Commerce¹ stated with regard to unemployment resulting from technological changes, that these matters would be adjusted in the process of time, and expressed the opinion that any restriction of industrial advancement would be most unwise:

From the first developments of labor-saving devices on down through history, the claim has frequently been made that devices of this character were certain to result in a condition of general unemployment. There has, however, been nothing to substantiate this claim; as with each improvement in production methods or operating practices, workmen displaced in one field have been adapted to employment in others. We are of the opinion that similar procedures will take place upon the return of the world to a normal condition. We are further of the opinion that any retrograde movement or restriction of industrial advancement will be most unwise. With respect to arbitrary age limits, the Chamber of Commerce policy of long standing is to the effect that training and ability should be the factors of employment rather than age.

Arthur G. Coons,² Professor of Economics, Occidental College, Los Angeles, suggested as a means of dealing with technological unemployment, development by the State of a bureau for vocational reeducation.

¹ See Exhibit 6 in Part II B.

² See Exhibit 8 in Part II B.

All unemployed persons, he held, should be eligible for training during periods of unemployment. He also recommended as a means of preventing the displacement of older workers, that the State should reward employers of all laborers hired over 45 years of age by a percentage subsidy of the pay roll for such workers:

The State should establish a State bureau of industrial training to develop a program of vocational reeducation. Such a department could be more accurately informed of needs and develop a program. All unemployed persons would be eligible for such training during periods of unemployment; and, following a definite course of study with proficiency and certificate therefor, should be entitled to receive, continuing unemployed, \$10 per week as an unemployment relief aid. Such programs would almost necessarily be urban in location.

Later, such a bureau might develop a program of industrial training on a more extensive basis, cooperating with individual concerns which might desire to establish an organized educational program for their own workers, the cost to be paid in large part by the industries themselves.

Such a department could influence the character of training as developed in high schools and junior colleges. * * *

Continued conference with industrial managers could operate to educate management itself, affording clearer knowledge of technology, job specifications, occupational needs and analysis.

* * * The State should reward the employers of all laborers over 45 years hired by a percentage subsidization of the pay roll of such labor over 45.

The bureau of training could extend its activities to minors.

A different point of view with regard to vocational reeducation was presented by Frank C. MacDonald, President of the State Building Trades Council. He felt that the displacement which is going on is too extensive to be met in this way; that the only solution lies in shortening the hours of labor; and that unless this is done and made a permanent policy, there is going to be a chronic army of unemployed:

* * * I am very emphatic in the idea that vocational reeducation can not meet the problem of the displacement of trade skill. The displacement is too great. You can take men and women and you can give them specialized training in new industries, but even the newest industry is overcrowded. That there should be an expansion in technological training to fit men and women into the newer industries, because they have been displaced in industries that have practically gone out of business is true; but to assume that we can create, by short educational courses, a development in the working men that will enable them to get jobs, and thereby eliminate unemployment, is untrue. No matter how much we concentrate upon this, there are no industries to absorb the unemployment in any line in America.

Max Stoker, representing the Bay Section of the California Vocational Federation, outlined the advantages of a program of vocational training and guidance as an agency in preventing unemployment. He recommended a more comprehensive system of State employment statistics. In this connection, he suggested that the information secured should cover all industries, should be classified by occupations, and should include information as to the causes of labor turnover; also that this information should be correlated with data on industrial development.

He felt that such a program would assist in determining what vocational assistance is needed, what occupations are overcrowded, and where opportunities appear. He suggested that this information would be of value in determining how much shorter the working day and week should be:

Unemployment may be due to the fact that there are more people than there are jobs. It may also be due to the fact that too many people are being trained for

one occupation. That is where our vocational program would be able to cooperate with such a program. If we could get this complete information and if we could combine with that any information we could get about industrial development, the people in charge of a training program—and I include not only school people but everybody that is doing training work, personnel departments in large companies, etc.—if we had that information available, we could run down the list and we could say, "This occupation is overcrowded; [and] this occupation is overcrowded; we do not need any more people in that; here is an occupation that is not overcrowded." We would also say, "This occupation can absorb so many people a year in California." You can not do that at the present time.

Then, in our training program we could direct people into those occupations which seem to promise the best chance of employment. It is utterly foolish to spend money training people for an occupation in which there is no employment.

William P. Bell, Personnel Manager of the California and Hawaiian Sugar Refining Corporation,¹ Crockett, said that the matter of vocational reeducation of workers whose technical skill has been displaced by machines should be a responsibility of industry. The employing company should in such case, he held, train for other jobs the workers who have been displaced, and should provide employment which they are physically and mentally able to perform:

Competition forces industry to adopt ways and means of reducing costs; and when the introduction of labor-saving machinery causes the elimination of skilled occupations, there is no longer any need for that type of skill; and the worker who is forced out of employment by the machinery must adapt himself to some other type of work. It should be the duty of the employing company to train and provide this displaced worker with other employment which he is physically and mentally able to perform.

Trade skill is rapidly becoming unnecessary because of industrial specialization. An employee is trained by the industry to perform a certain part of the work in process in an efficient manner. If he is ambitious and capable, he learns that job and progresses on upward until he learns the entire process; but if he lacks ambition and is satisfied with the one job, he becomes a fixture on that particular job as long as his work is satisfactory or until that particular part of the work is changed or eliminated. In this case, the industry should train the man for other work; and thus vocational reeducation should entirely eliminate the problem of the displacement of trade skill.

That an age limit in hiring workers is a factor in stabilizing employment was suggested by Mr. Bell:

It is a well established fact that most industries have a more or less arbitrary age limit. With a low labor turnover, the average age of employees increases; and if no age restriction were placed on new employees entering the service as laborers, the industry would be greatly handicapped in its production; because it is an established fact that the average man will slow up appreciably as he gets older. Therefore, if industry is to take care of its older employees, it must have young employees entering to carry the heavier burdens of production. The establishment of age limits has no doubt tended to prevent turnover among employees above the employment age; and, therefore, ultimately it will help labor inasmuch as industry is realizing that it has a responsibility to the worker and is providing ways and means of taking care of him in his old age.

A plan for reeducation of workers during unemployment was one of the recommendations submitted by the Young Women's Christian Association² of San Francisco.

Benjamin Ellisberg, representative of the Ornamental Plasterers' Union of San Francisco District, related how technological changes

¹ See Exhibit 12 in Part II B.

² See Exhibit 13 in Part II B.

and the existing depression have affected his craft. He said that the trade requires a great deal of skill and that the men in the craft have spent most of their lives learning this particular trade; that less than 10 per cent of the members are working at present; that this condition has continued for some time; and that practically all of the funds in their treasury have been exhausted. The majority of the men are over 40 years of age. He felt that retraining them for other trades would not be feasible as they could not compete with younger men.

With regard to changes in industry which have affected the employment of his union, Mr. Ellisberg said that little machinery has been introduced, except for tamping wet casts; that semiskilled mechanics now do the wet work; that in other respects, the work of making moldings and castings for architectural construction is carried on much the same as in the days of the Pharaohs in Egypt. Employers, however, instead of taking skilled modelers, are using apprentices for most of the work, with an experienced modeler to put on the finishing touches. He felt that the only sensible way of trying to alleviate the situation is to shorten the hours of labor and increase the pay of the workers:

Our entire craft engaged in our industry—these men have spent most of their lives learning this particular trade, which, as I said before, requires a great deal of skill. Out of the entire number, less than 10 per cent are now working; and this condition has maintained for quite some time. Most of them are over 40 years of age. It would be a mockery to tell them to go and learn a new trade. They would have to compete against 18 year old kids. The situation is very serious * * *

Question by Commissioner Cushing

Q. To what extent has the employment of your union been affected by machine development?

A. There has been no machinery introduced to speak of, except for tamping wet casts, but we do not do that wet work. Semiskilled mechanics do it, who do not belong to our union; and that interferes with them, and that comes pretty close to us. Otherwise, they do the work pretty nearly the same as they did the work for the Pharaohs in Egypt. They can not beat us down by machinery; but skilled modelers who learn modeling in 25 or 30 years of their life and also have talent—instead of taking the good modelers, they take a few apprentices and do most of the work, with an experienced modeler putting finishing touches on it. Then one man becomes experienced in making molds and another in casts, etc., so making the replacement that much easier in case of trouble.

Martin Wise, unemployed machinist, San Francisco, felt that the problem of technological unemployment can not be met by retaining workers for other jobs since it takes years of practice to develop skill. It is not possible, he said, to shift a man from one job to another and make anything but an operator out of him. As a means of meeting the situation, he suggested a contributory system of old age pensions.

"Improvements in technological processes must and will continue," said Felix Flugel, Associate Professor of Economics, University of California; "but there is no reason to suppose that the consequences of such innovations, in so far as labor is concerned, can not be subjected to rigid and effective control." He felt that the State should encourage technological improvements; and that everything possible should be done to eliminate the drudgery of work through the introduction of machinery. As a means of meeting the unemployment due to displacement by technological changes, he suggested that the State should

overcome the situation, at least temporarily, through some form of unemployment insurance:

Questions by Commissioner Cushing

Q. Doctor, have you given any attention to this problem of technological unemployment, displacement of men by machinery?

A. Yes, I have read a good deal about it.

Q. Can you give us any suggestion on that point?

A. No, my own belief is that a good deal of unemployment is due, of course, to technological changes which have been made. That observation, however, could be made with respect to the last hundred years, or ever since the end of the 18th century. Precisely the same thing has been argued about. In the last 25 years I think more people have been displaced as a consequence of technological changes than earlier in the century. That almost goes without saying, because they are cumulative in character.

Q. Have you thought as to what, if anything, the State could do about that?

A. No, the State should encourage technological improvements. I personally can see no particular advantage in urging people to work just for the fact of working. In other words, we should do everything in our power to do away with work through the introduction of machinery, eliminate the drudgery of work as far as possible; and the State might encourage the introduction of technological changes.

Q. But the man who is displaced by the machine, of course, has a serious problem on his hands. What can the State do about that?

A. That is the problem of the State, it seems to me, to overcome, at least temporarily, such unemployment due to displacement by technological changes through some form of unemployment insurance.

Q. That would help to bridge over the period during which the man was trying to adjust himself into some other line of activity?

A. Precisely.

Ira B. Cross, Professor of Economics, University of California, in discussing the problems created by technological unemployment, disapproved the proposal to substitute hand tools for machinery in work relief projects as a means of spreading employment among a greater number of men. Instead of wrecking the machine, he said, it is necessary to learn how to control the machine and how to utilize the advantages of machine industry for the benefit of society. As one means of meeting the situation, he suggested reducing the hours of labor:

When it comes to technological unemployment, we come across there the problem of what we are going to do with the men that are thrown out of work by the advance of industry. We have many wild suggestions made by radicals and conservatives; and it is strange how wild the suggestions sometimes are that are made by the conservatives. It has been suggested not to have any more inventions for ten years. Here we are giving work to men using pick and shovel instead of using tractors and graders, the idea presumably being to make the work go farther. The best thing to do is to give them work, give them tools to work with that are the most improved and get the most work done. A man with pick and shovel working eight hours a day can do less than a man on a tractor. The idea here in California seems to be to make work by putting men on the job with pick and shovel rather than machinery. We have a lot of wild ideas. We enjoy the life we have because of machinery. We could not have our radios or automobiles, the clothes we have to wear unless we had machinery. It has made cheap things; it has made standardized things; it has made many luxuries available to the poorest people in our country; and the suggestion that we stop the advance of inventions is foolish in the extreme. What we have to learn to do is to control the machine. We have allowed the machine to control us; and of course, when I say that I mean not the machine itself, but those who control the machine. We have got to learn how to make the machine industry redound to the benefit of society rather than wreck the machine.

James H. Doyle, Chairman of the Unemployment Committee of the Iron Moulders' Union, Oakland, felt that the insurance companies

are largely responsible for making it impossible for men who have reached the age of 45 or 50 to secure employment. He recommended that attention be given to the problems of the workers over 50 years of age, suggesting that the eligible age for old age pensions be reduced ten years.

Mike Daniels, restaurant worker, Oakland, representing the Communist Party, held that technological unemployment is the result of the capitalistic system and that the solution lies in the program of the Unemployed Councils:

Naturally the capitalistic system is responsible for this crisis. The private ownership of the means of production is in the hands of a few for profits, and nothing else. It exists, this system based on profits; and it keeps piling up profits and piling up profits. And when it reaches such a stage that the workers have produced too much as a result of the mechanization of industry, as a result of the development of machinery, as a result of the efficient methods of production, wherein the amount of production of the working man has increased, and the whole market is saturated and there are no demands, then the whole capitalistic system begins to slacken down its factories; and factories are shut down, and millions of workers are out on the street. It is part and parcel of the capitalistic system and of this present economic crisis in this period of world-wide depression. The present economic crisis is not only a local, it is a world-wide crisis with the exception of the Soviet Union, which has no crisis of any description, where workers and farmers are ruling their own destinies. What are the solutions of this depression and misery? One is the solution of the master class, and the solution of the State Unemployment Commission, which is part of the capitalistic class. The other solution is the revolutionary way out of the crisis, the way through struggle and fighting, and the way of organizing leaders of the unemployed into Unemployed Councils and branches. It is to fight against this whole thing, and to put the burden of the crisis, not on the shoulders of the working class, but on the shoulders of those who are forcing the workers to starve, on the shoulders of the capitalists.

Gerald H. Catania, attorney, representing the West Fresno Unemployment Committee, felt that in the case of work relief as an emergency measure, instead of using machinery it is better to put men on a job rather than to have them in the soup lines. Referring to construction work conducted by the city during the depression, Mr. Catania said:

* * * The city was digging a ditch out of funds raised by a bond, and it was digging this ditch with a machine that consumes no food; and it was at the same time with a like sum of money, buying soup for men out of employment. This looks like an argument to knock out the machine, but that isn't the thing; but at a time when there is an emergency, possibly it would be better to run the machine in the shed for a while and give the men a job.

W. P. Graham, Secretary of the Culinary Workers' Union, Local 62, Fresno, representing the Fresno Labor Council, said with regard to retraining workers displaced because of technological changes, that his organization felt this is useless because it would simply mean increasing the competition in another line:

* * * About reeducating the worker. Now we think that does not mean a thing; because if you reeducate a worker out of work in his own line, and you educate him in some other line, he would just become competition for the men already in that line of business, and nothing would be gained by that.

On this age limit, we think the same on that—if there was a job for everyone, there is a place for the old men. We had that in the so-called good times a few years ago—everybody worked, the old men and the young fellows. And now neither the old nor the very young are working.

F. L. Strong, Registrar, Welfare Department of San Joaquin County, said that the workers displaced through technological changes present one of the most difficult problems for relief agencies:

* * * We have a lot of skilled labor that have, during the introduction of machinery and such, come down to common labor; and they are the ones that we have the most dissatisfaction with in trying to place them, and trying to work with them. They can not get down to the standard of where they have to work with their hands instead of their heads.

Vocational reeducation in connection with technological unemployment was advised by W. B. Jenkins, Manager of the Sacramento Community Chest:

Vocational reeducation could be adopted in the working out of case problems. The Department of Social Welfare or State Department of Industrial Relations might institute a division of "Placement and Social Readjustment," instead of the present State labor employment offices. This, of course, opens a wider field for service than merely a job supplying device.

Arbitrary age limits in industry should be governed by an industrial relations program effected by that industry which should have a social consciousness and be so affiliated with a placement and social readjustment department so that a program could be arranged wherein age limit incapacity would not become a public charge.

The labor movement does not oppose the use of labor-saving machinery, according to J. L. R. Marsh, Secretary of the Federated Trades Council, Sacramento. He said the State should so regulate conditions that all would share in the benefits of technological improvements:

We know what technological unemployment is. We have experienced it for years and we expect it to continue to increase. We see no reason why the machine and improved methods of production should not continue to improve. We see no social reason why a man should not be relieved of all the work it is possible to relieve him of; and if the machine can be made to do it as improved methods and systems can be instituted, we are perfectly in line with that program. We do feel, however, it is a social question and that it has to do with all citizens, whether they are employed or unemployed; and that it is the function of the State to so regulate the laws that may be made applicable to those conditions that the citizens of the State will participate, as they should morally, in the resultant improvements of technological production and improved methods generally in production.

George F. Mitchell, locksmith, representing the Unemployed Council, Sacramento, questioned whether vocational reeducation can help in the matter of technological unemployment:

Where every branch of industry, every trade, is already overcrowded with skilled members of that trade, what is the sense of training anyone else to do something that is already overcrowded; and the only training we have got is standing in the soup line. We are discarded. We have schools constantly pouring out thousands for the white-collar jobs. They find fewer offices that need their help; and they come out in direct competition with the unskilled worker.

"What are the facts regarding arbitrary age limits in industry, and what can be done to aid those affected?" The facts are something I can not swear to, although I do know, as young as I am, there are many jobs I can not handle because of my age. As a locksmith, I am unable to find any work whatever, unless I work at night. And that is taking individual action, and I do not believe in individual action. Now, the only other use for me is to try something else; and there are jobs that I know my legs are getting a little rheumatic for. I could not make the grade. There are too many young workers who are more satisfactory for the job who will take it and get it. We must remember when we are over a certain age we are fit for a scrap pile. You can not make a profit for industry, so why should they want you?

F. W. Holmes, migratory worker, Sacramento, held the same point of view:

* * * Vocational reeducation can not be used; as all branches of industry and all crafts have a large surplus of workers, such as electricians, bankers, stenographers, etc. There are plenty of trained workers. * * *

"What are the facts regarding arbitrary age limits in industry, and what can be done to aid those affected?" Well, there is a social problem. Workers in most cases over 40 years of age are regarded as waste humanity today, ready for the scrap heap, and must receive social insurance until the social system is changed by the working class.

That vocational retraining to meet the problems of technological changes is a responsibility of industry, was the opinion of the State Chamber of Commerce Employment Stabilization Committee:¹

Vocational reeducation is a function of industry and essentially a job problem. Employees, trained in industry progress upward through various jobs in the industrial process, and tend to reach those levels that are commensurate with their ability and ambition. As a part of these requirements which the committee feels necessary for a more general stabilization of employment, it is industry's responsibility to develop a more flexible personnel. This method and process of training makes possible a quicker and wider adaptation of personnel to current conditions, than would any systems of vocational reeducation undertaken after the need for the same develops.

The committee believes that the obligation of vocational reeducation rests fundamentally on industry, rather than on a policy of continuing increasing public expenditures, which in the latter instance are beyond and outside the industrial day to day viewpoint.

EMPLOYMENT OFFICES

The consensus of opinion with regard to employment offices was that the public offices are performing an important service which should be extended and developed—that the State should take over all placement work, and that private fee-charging agencies should be further regulated or abolished.

Graham A. Laing, Professor of Economics, California Institute of Technology, advocated the establishment of a completely coordinated system of free employment agencies publicly operated, owned and financed. The unemployed worker, he said, should not be required to break into his meager savings to pay fees to private employment agencies nor should he be forced to travel about from place to place looking for a job. The function of a system of public employment agencies which he recommended would be to serve as a clearing house for labor and to collect information regarding the nature and extent of unemployment as a basis for dealing with that problem. Such a system to be most effective should be nation-wide in scope, Professor Laing said:

* * * The private employment agency exists to make a profit. Its profits vary directly with the number of men it can keep paying fees. Hence there are many instances of employment agencies which stimulate labor turnover for the sake of the fees and which even go so far at times as to make arrangements with the foremen to hire and fire unnecessarily often, and split the fees with such foremen.

Even, however, where the agencies are well organized and managed, the important fact remains that they are uncoordinated; and in general, have no method of listing jobs other than searching themselves for the openings or by having employers voluntarily request that men be sent to them.

* * * As far as society is concerned, it seems only equitable that, if unemployment is due in the main to lack of economic organization, a fault which

¹ See Exhibit 22 in Part II B.

is not individual either with the employer or employee, society should, as a whole, be charged with the cost of ameliorating the evils. Hence, I would propose that there should be established a completely coordinated system of employment agencies or labor exchanges * * * without charge to the applicants; moreover, this system must be nation-wide in its scope, not merely local, and finally, that both employer and employee be required to notify the nearest exchange of jobs and men available respectively. This, of course, without prejudice to the right of any employer or applicant to make special arrangement.

Our individual states are not self-contained units. The migration of labor, as of capital, ignores State boundaries. A well regulated system in one State will attract applicants from the whole Union. Seasonal requirements vary from State to State and without coordination surpassing State boundaries, there is a strong possibility of gluts and dearth of labor existing in different places at the same time. Moreover, it would not be fair to place the heavy charge of unnecessary enrollments of applicants on one State because the others had not taken the trouble to organize their efforts. It has been suggested that the State systems, correlated with one another would meet the case. The present writer believes that a single unified organization would be very much more efficient and, would avoid a great deal of the trouble that frequently arises from the clash of State with Federal officers.

F. O. Wallschlaeger, representing the management of the California Fruit Growers Exchange, Los Angeles, emphasized the importance of public employment offices, urging in this connection a state-wide clearing system which would make it possible to tell where there is opportunity for work and where the kind of workers needed are to be found.

John C. Austin,¹ Chairman of the President's Organization for Unemployment Relief, Southern California Division, recommended as a means of extending the usefulness of the present system of State free employment offices, that the State and national employment agencies should be coordinated.

As a preventative measure in dealing with unemployment, Irving Lipsitch, Executive Director of the Federation of Jewish Welfare Organizations and Chairman of the Executive Committee of the Council of Social Agencies of Los Angeles, recommended development of the public employment service through larger appropriations and a highly trained personnel; abolition of fee charging for positions; and the taking over by the State of all placement work. "I am decidedly opposed to any fees whatever in order to find employment," he stated. "I do not believe that anybody should be obliged to pay for the privilege of giving his labor for the amount of money his labor will purchase."

Referring to ways in which the public employment service can assist in the matter of aiding workers displaced by industry, Mr. Lipsitch said:

* * * One of the difficulties even in normal times of finding employment is the erroneous belief that a multiplication of employment bureaus helps to place people at work. I think a very cursory examination of the subject would prove that a multiplication of employment bureaus can never produce a single job—that what happens is that the job is going down Main Street, and the man is going up Spring Street, and "never the twain shall meet." So it is necessary to centralize this, so all jobs get to one point and all applicants are handled in some way so there can be some uniformity, and the persons be placed where they belong as rapidly as possible. If that is true in normal times, then my idea is that it is doubly and triply true in times like this when the fact that a position is seeking the man only occasionally and many men are seeking the position under our

¹ See Exhibit 2 in Part II B.

present system, makes it impossible for the few positions that are open to be as promptly and well filled as they would be by centralized service.

Again, I believe there is no unit of government, other than the State, that can do this task, as well as the State can do it in the various parts of the State through its district offices, which of course have to be multiplied to the extent and strengthened to the extent that they shall be able to give more prompt and better service than they can give at the present moment. That means in due course of time they have to get larger appropriations, a personnel highly trained and a personnel large enough to discover not only the opportunities that exist, but also those that may be created through one form or another.

The California State Federation of Labor, according to A. W. Hoch, President, believes in the State free employment offices and feels that effort should be made to persuade all employers to secure their workers through these agencies.

Miss Winifred M. Hausam, Executive Director of the Bureau of Vocational Service in Los Angeles and the Pasadena Vocational Bureau, said that intelligent employers are more and more realizing that employment agencies established for profit accentuate labor turnover, and that increasingly such employers are turning to the bureaus which do not charge fees.

J. H. Nishwitz, unemployed laborer, "representing a group of the unemployed of San Bernardino," said that his group regarded the improvement of employment offices mainly as a matter of personnel and that they favored the restriction of private agencies.

The Los Angeles Chamber of Commerce¹ expressed appreciation for the excellent service of the State free employment offices and stated they could see no reason for expanding the service at this time.

Arthur G. Coons,² Professor of Economics, Occidental College, Los Angeles, recommended as one of the measures for emergency unemployment relief, strengthening the State public employment agencies by taxing out of existence the profits of the private exchanges. Professor Coons further stated:

There should be no registration fee for an exchange. A percentage of wages after a period of work should go to the State, paid directly by the employer; a complete survey of labor needs should be made and by law all employers required to report employment and needs on a regular basis.

Frank C. MacDonald, President of the State Building Trades Council, advocated an educational campaign by the State for the abolition of private employment offices:

The furnishing of all employment should be free. We think it brutal and undemocratic to tell a man or woman who is broke and vainly seeking employment that before you can have this job, you have got to pay this fee. We believe that it is incumbent upon the State of California to start an educational campaign, exposing these corrupt practices and calling upon the great employing industries of California to definitely state their position. In other words, through the power of publicity to crystallize public opinion that will compel the private employment offices to go out of business—they have no place justly in a government such as ours, which we claim is progressive, civilized and humane.

William P. Bell, Personnel Manager of the California and Hawaiian Sugar Refining Corporation,³ Crockett, felt that the public employment offices have done good work and do not need to be strengthened to meet the problems of technological unemployment.

¹ See Exhibit 6 in Part II B.

² See Exhibit 8 in Part II B.

³ See Exhibit 12 in Part II B.

The Young Women's Christian Association¹ of San Francisco, recommended a more adequate system of free employment offices to place workers more efficiently and to shorten the period between jobs; and a system of clearing and defining the fields of the non-profit making employment agencies in San Francisco which would cover weekly checks on the numbers placed, types of placement, trends in jobs and number of new jobs available.

Walter G. Mathewson, State Director of the United States Employment Service, explained the functions of the service and outlined what is being done in California. As a means of checking abuses of private employment agencies in connection with construction work, he recommended legislation which would prohibit taking a fee from any person sent to a public construction job. In this connection, he pointed to the regulation in effect in Los Angeles that no contractor will be permitted to sign a contract for a public works job until he arranges to get his men through the Stabilization of Employment Bureau:

* * * Many employers do not know that when they place an order with a private employment agency that they are going to compel some man or woman to pay a commission in order to work. Some of them pay as high as \$50 or \$75 of their first month's salary, in order to get a chance to work. If many employers knew this was taking place, I am satisfied they would place their orders with the public employment agencies, where there are no charges. * * * On all construction jobs, where men are secured from private employment agencies, a great deal of the employment lasts only seven days. Now if it lasts seven days or longer, the private employment agency can keep the fee. It would be just as easy to find out if that man were not suitable in five or six days, but if he were discharged in five and a half or six days, he would be entitled to a return of his fee from the private employment agency. So it shows that one crew of men are constantly going on the job and another is leaving. The answer you get from the employer is that his superintendent says you can not get good men from public employment agencies, when the truth of the matter is the same men can be obtained from the public agency as are listed with the private organizations.

At the last session of the Legislature, we attempted to remedy this. * * * Now I feel that some steps ought to be taken, and some interest ought to be shown if you desire to build up the public employment organizations, those that charge no fees to workers, and do not discriminate in them, to again press a measure of this kind.

Benjamin Ellisberg, representative of the Ornamental Plasterers' Union of San Francisco, recommended the closing of all private employment offices to prevent exploitation of labor.

Martin Wise, unemployed machinist, San Francisco, suggested that the State establish a monopoly in employment offices and enforce that monopoly.

George Morris, Communist, San Francisco, said that his party advocates opening free employment offices by the State so that the workers will not be exploited by private employment agencies. He suggested that the public offices should be managed by the workers.

The Family Relief Society² of San Francisco recommended the abolition of all fee-charging employment offices and the opening of free offices by the State.

P. Somers, unemployed bookkeeper and accountant, San Francisco, made similar recommendations.

¹ See Exhibit 13 in Part II B.

² See Exhibit 15 in Part II B.

The inauguration of a complete system of public employment agencies was advocated by Ira B. Cross, Professor of Economics of the University of California. There ought to be a nation-wide system of public employment agencies, he stated, which would knit into a system of State employment agencies, which would again tie up with a system of local agencies. Private employment offices should be done away with entirely:

We today have a fairly satisfactory law covering the practices of private employment agencies in California. I say fairly satisfactory, but still much remains to be done; and as long as we have private employment agencies, we are going to have men walking from place to place looking for a job. If we had a State office only, all the jobs would be centered in that one place and men and women could go to one place and get a job.

I know that is unconstitutional. Our Supreme Court has decided again and again in the Oregon case and other cases it is unconstitutional. But we have been known to amend our constitution, and it seems to me it can be done. It seems to me we ought to do away with the private employment agencies.

Hubert Phillips, Professor of Social Science of the Fresno State Teachers College, said that it should be a public responsibility to put men in contact with jobs; that it is a wrong approach to the problem to have the placement on a fee-charging basis. He recommended that all placement work should be in public hands.

Samuel S. White, Editor and Manager of the Kern County Union Labor Journal, representing the Kern County Labor Council,¹ referring to the public employment agencies, stated that in his opinion they are rendering a service to the community. From his personal experience he has always found the service satisfactory. The labor group, he said, believes that any useful service that is rendered by the private agencies could be performed by the public offices.

W. P. Graham, Secretary of the Culinary Workers' Union, Local 62, Fresno, representing the Fresno Labor Council, said that his organization favors the abolition of all private employment agencies.

F. L. Strong, Registrar of the County Welfare Department of San Joaquin, suggested an educational program to stimulate interest in the free employment offices:

It is hard to get the farmers and employers of our district to cooperate with the State Free Employment Agency. They would rather go to the employment agency where there is a fee charged, and where they can seem to get a higher class, or they think they can get a higher class of employee. But I think through an educational program, with farm bureaus, chambers of commerce and those, that we can educate them to help the free employment office; because ninety per cent of the unemployed have not the money to pay the fee—in fact, they come to our office every day asking for the fee to be advanced, which we can not do, and it places them in a position where they can not help themselves.

Questions by Commissioner Cushing

Why do these applicants come to you to get fees to pay a private agency, when there is a public agency in Stockton that might serve them?

A. Because, as I said, a lot of the people will not patronize the free agency.

Q. Why?

A. I could not find out, outside of asking ten representative men the other day, and they said the labor they were receiving from the free agency was not up to what they could get from the private agency.

¹ See Exhibit 20 in Part II B.

The public employment agencies are not equipped to deal with the problems of technological unemployment, according to W. B. Jenkins, Manager of the Sacramento Community Chest. He felt that the public employment offices had not adapted themselves to changing conditions. They are usually located in a section of town where the itinerant class congregate and where permanent residents do not as a general rule care to go. He recommended that public employment offices should direct their attention more to placing permanent residents than the itinerant class. He felt that the establishment of a State Department of Placement and Social Readjustment would help materially in dealing with the problems involved in unemployment:

The same transition comes into employment office routine as has come into business from the standpoint of changing conditions. The employment office, as a business wherein fees are charged, is on the wane. The subject of substituting skilled labor to other suitable jobs and the guiding of individual vocational benefits is not the responsibility of a placement bureau. This should be closely affiliated with a social planning program. It is necessary to eliminate the cause [of unemployment] through experienced social agency program, combined with a placement and social readjustment bureau.

I might suggest, therefore, that State free employment offices are not doing the job because of the lack of grasping the opportunity which this period of transition has made possible. We believe that our permanent married citizens are people to contact and make permanent through work, rather than the itinerant class, who are roving and have no family responsibility. * * * A State Department of Placement and Social Readjustment with wider vision could be instituted and serve in a most beneficial way to keep stride of the social questions of unemployment in this dilemma.

The abolition of private fee-charging agencies was recommended by J. L. R. Marsh, Secretary of the Federated Trades Council, Sacramento. He advocated giving to the State offices a monopoly of placement work. "We have no sympathy with the private agencies—we are perfectly willing to put the private employment agency class out of the field," he said.

Similar recommendations were made by George F. Mitchell, locksmith, Sacramento, representing the Unemployed Council, and F. W. Holmes, migratory worker, Sacramento, with the additional proviso that the State employment offices should be conducted by the workers.

According to Mr. Holmes, "all private employment agencies should be abolished and State free employment offices be administered by unemployed council committees without salary and utilized for the benefit of workers only."

Representation of employers in the management of State free employment offices; elimination of duplication between the State and Federal employment service; and the creation of a Federal clearing house for employment were recommendations of the Committee on Employment Stabilization of the California State Chamber of Commerce:¹

Elimination of present duplication between State and Federal agencies, as operation of Federal employment agencies in California as now conducted has meant duplication, confusion and with particular relation to agriculture has been wholly ineffective.

[There should be] more quickly available and centralized information on employment conditions and opportunities in various localities and industries.

¹ See Exhibit 22 in Part II B.

Employers should have a more direct share in the management of State free employment offices, as the ability of these offices to function effectively is largely dependent upon employers' cooperation and utilization of the agencies' facilities.

In view of the interstate character of the problem, the Committee suggests the creation of some form of Federal clearing house for employment administered by a commission or body composed of equal representation on the part of employers and employees.

More sympathetic efforts should be made to properly classify and grade applicants for positions to prevent sending out misfits from employment offices.

8. Other Recommendations.

Summary of more important proposals other than those included in the agenda.

Other recommendations¹ presented as remedies for unemployment or as means for relieving the situation include the following: abolition of child labor and extension of the compulsory school attendance age; establishment by the State of a loan fund for citizens for home building; tax exemption on building construction and improvements initiated during periods of depression, as a means of encouraging private enterprise; placing unemployed families on farms; providing for a voluntary moratorium on mortgage foreclosures; reduction of the operating expenses of the government; strict enforcement of the alien labor laws; removal of age limits in industry; prohibition of the employment of married women; abolition of the contract system on State construction work; and deferring, as far as possible, highway construction requiring extensive use of machinery in the interest of projects that utilize a maximum of hand labor.

Child Labor and Education.

Removal of children from industry was urged by a number of those testifying as a means of providing employment for older workers. Combined with this in several instances was recommendation for extension of the compulsory school attendance age and better educational opportunities for young people. Some of the representatives of organized labor made recommendation to this effect.

C. F. Grow, General Representative of the International Association of Machinists in the western part of the United States, said that child labor has a direct bearing upon the present depression. He held that if children were taken out of industry and adults put to work in their place, half of the unemployment problem would be solved:

We citizens of the State of California are not directly affected in the degree that some of the other States are with this child labor problem; yet we are in many instances engaged in competitive work. We should unite to abolish child labor at the earliest moment.

¹ Captain Ogden, former sea captain and pilot, Los Angeles, recommended that consideration be given to the problems of older men, suggesting in this connection, removal of the age limit in Civil Service positions.

George W. Slocum, retired, Los Angeles, advocated abolition of private appropriation of rent and interest.

Wesley C. Peoples, newspaper man, San Francisco, urged that equal opportunity in employment be given the colored workers as a means of meeting the unemployment problem among his group.

A recommendation made by E. L. McGaha, Fresno, Chairman of the Railroad Employees' Pension Organization, was for adoption of the pension plan for railroad employees sponsored by his organization.

Miss M. Howard, stenographer, Los Angeles, suggested raising the age limit for the employment of minors to 21 years:

I do not feel that any person, boy or girl, should be out in the business world before they are 21, until they have had some education so that they will be able to make good citizens. People without an education are not really good citizens.

E. H. Dowell, Secretary of the San Diego County Federated Trades and Labor Council,¹ held that the responsibility for a family's support should never rest on the shoulders of a child. "California demands complete abolition of child labor and the proper schooling of our youth," he said.

Mrs. Bertha Gleason, cannery worker, San Diego, stated that the Unemployed Council demands that no children be employed under the age of 16; that personally she felt children should not be employed under the age of 18.

Harold W. B. Baker, Superintendent of the Junior Employment Bureau of the San Diego Schools, recommended as one means of meeting the unemployment situation, keeping children in school longer, mentioning in this connection the suggestion that the education of children be continued until they are 21. His bureau, he stated, is doing everything possible to discourage the entrance of minors into industry at the present time. He said that it is as important from the standpoint of the nation to solve the unemployment problem of youth as of adults, stating that one reason for the increase of crime among young people in the last two years is due to the presence in the community of thousands of unemployed youths:

Now, when you ask for a remedy, and I know the commission is asking for remedies in the situation, there are several things we can consider. Of course the problem of juvenile employment is so closely bound up with adult employment it is hard to separate the two. I am going to make one statement that will meet with objection. That is, to keep the youngsters in school longer * * *

The providing of employment for minors is a serious problem both from the standpoint of the welfare of the minor and society. The young people who graduate or leave our public and private schools are as a rule eager to go to work. A few months of unemployment with the discouraging process of seeking a job will reduce the morale of the average youngster to the breaking point. Without doubt the recent increase in junior crime is due to the presence of large numbers of unemployed minors in every community * * *

Frank C. MacDonald, President of the State Building Trades Council of California, said that an increasing number of children are being forced into industry and are taking positions that should be occupied by adult workers. In spite of the laws intended to limit and prohibit child labor in the State, it is necessary, he said, to take further steps:

* * * With regard to minors, we say the employment of children in industry is a crime against humanity, and it should be stopped, even if necessary

¹ See Exhibit 9 in Part II B.

through change in the constitution of the United States * * * We have to take further steps in California. We have laws that are intended to limit and prohibit child employment; but at this time, when we have, I presume, over one-half million unemployed in California, we have an increasing number of children being forced into industry to take positions that should be occupied by adult workers.

M. Raport, San Francisco, speaking for the Agricultural Workers' Industrial Union, said that the children of the agricultural workers do not attend school but are at work picking fruits and berries. He stated that his organization proposes that child labor shall be definitely abolished in agricultural fields, not at the expense of the workers, but at the expense of the State.

Benjamin Ellisberg, Representative of the Ornamental Plasterers' Union of San Francisco, and A. Biederman, delegate machinist, San Francisco, also urged the abolition of child labor.

Max Olson, representing the Youth Committee¹ of the Unemployed Council, San Francisco, presented the demands of that committee for the immediate prohibition of child labor and for free vocation education for young workers.

J. L. R. Marsh, Secretary of the Federated Trades Council, Sacramento, stated that his organization favors doing away with child labor completely:

While we have not definitely set to our own satisfaction an age limit, some of us are perfectly willing to go to 20 under present conditions. That may be too high. We feel very much in favor of compulsory education until the pupil is as old as it is possible for the State to maintain an educational institution in which to keep him.

Home Building and Private Construction.

Stimulation of private construction work through a State loan to citizens for home building was advocated by several speakers. Another suggestion, looking towards business recovery through the encouragement of private construction work, was for tax exemption for a limited period on buildings and improvements initiated during periods of depression.

In connection with a home building program, Glenn E. Hoover, Associate Professor of Economics and Sociology, Mills College, recommended that the State should advance credit to citizens to aid in financing home building. He cited as illustration what California has already done in aiding veterans to acquire homes. As indication of the need, he pointed to the shrinkage in building construction during the past five years and the present shortage of sanitary, modern housing.

Further recommendations made by Professor Hoover were that the State should grant authorization to municipalities to acquire by condemnation land in so-called "blighted areas" to permit a slum clearance program; and that authorization should be given for the formation of limited dividend corporations to restrict the profits from private construction work on land condemned by the cities.

In urging a housing program, Professor Hoover stated that, in his opinion, improved housing is the greatest need today. He also said that the work involved in such a program would not result in over-production or in unwise competition between the States:

¹ See Exhibit 5 in Part II A.

California might use additional credit for the purpose of financing the construction of new houses. It has already issued bonds in excess of \$50,000,000 for the purpose of aiding veterans to acquire homes. The interest charged the veterans is in excess of that which the State pays on the bonds so that there is no direct burden on the taxpayers. There is no good reason why this plan might not be extended to non-veterans. However, as a measure for increasing employment, it might be wise to utilize such funds only for the construction of new housing rather than permit them to be used for the acquisition of houses already built. The California Farm and Home Purchase Act has been described by John R. Quinn, Past National Commander of the American Legion, as "the most far-sighted piece of veteran legislation enacted by any State." In this judgment Dr. Wood¹ concurs and closes with the pertinent query, "If it is good for the veterans, why not for the rest of the population?"

California municipalities should be granted authority to acquire by condemnation sections in "blighted areas" where slum conditions prevail and to lease certain portions of the land thus acquired to those who would erect upon it buildings acceptable to the municipal authorities. At the present time the authority of cities to condemn is limited to such land as is needed for "public purposes," and while the Supreme Court has held that the development of improved port facilities is such a "public purpose," it is doubtful if it would, as yet, consider the improvement of housing facilities within that category. Both the courts and the public believe that aiding business is a proper governmental function, while attempts to directly improve the conditions of the masses are brushed aside as socialistic.

The State should make possible the formation of limited dividend companies, and every local community of any size should encourage the formation of such companies to erect and maintain low-rent apartment houses. It is futile to attempt to house all the workers in our larger cities in single family dwellings. Even if construction costs were brought down, as they could be by mass construction, they would still be high. Moreover, for working class couples with no children, apartments are often more desirable. With authority granted to the cities to condemn land in the older, run-down sections (often the most conveniently located) certain portions could be leased to such limited dividend companies for the erection of apartments where workers might live, often within walking distance of their work. The existence of such limited dividend companies would obviate the criticism that might arise if cities condemned land and leased to individuals or firms operating on a profit basis.

* * * In my judgment improved housing for American people is perhaps our greatest need. I would like to suggest to those expecting business to improve and expecting the unemployed to be put back to work—I would like to ask them at what kind of work they expect them to be put, what particular industry they wish to see expanded—and if the unemployed are to be put back to work, what is it that they will produce more of? Does it seem that we should put the unemployed back to work producing more wheat, cotton, corn, hogs, lumber, or copper, when we normally have of these things an exportable surplus; and the success of that is so definitely dependent upon international conditions, and we find the international markets uncertain, to say the least? If the unemployed are put back, they must be put to doing something; and it would seem to me part of our social intelligence to look about and see what kind of thing it is that we need more of.

The advantage of residential construction would lie particularly in the fact that it would not involve a search for foreign markets. Moreover, increased production of housing would stimulate the whole host of related industries, all the material industries. The furnishing of this housing would stimulate production in a large number of regions.

There is another reason why I have suggested housing as a thing to which the unemployed could be largely directed. We can estimate our need for housing; but if we are to stimulate artificially the production of any other thing, we do not know how much we may need of it * * *

If we confine our attention to putting the unemployed to work at the things we know are needed, then production of other things would come along in proportionate measure. The lumber mills would expand their production to meet the need for new houses; [likewise] cement producers, brick producers, iron producers, and steel producers; so that we need not directly stimulate artificially the production of these raw materials, but rather devote our attention to the consumption of goods of which we have the need, and all other things will follow in due course.

¹ Dr. Edith M. Wood, *Modern Trends in American Housing*, 1931.

E. H. Dowell, Secretary, San Diego County Federated Trades and Labor Council,¹ presented the following recommendation for the Committee of the Federated Trades:

We urge the appropriation by the State of \$20,000,000 to be loaned to all citizen home builders on the same terms and under the same conditions now granted the veterans and ex-service men, except that the right of taxation shall be reserved to the counties and municipalities.

A somewhat similar proposal was made by the Workers' Benevolent and Protective Association of San Diego. They included in their program recommendation for the creation of a State building fund so that citizens may borrow money for the purpose of home building.

James A. Robinson, retired, of West Los Angeles, suggested legislation to exempt from taxation for a ten-year period private construction work started during the next three years. He felt this would prove an incentive to industry and provide work for many who are now out of employment.

Back-to-the-Land Plan.

Several of the speakers advocated putting unemployed families on small tracts of land where they could raise part of their food as a means of relief. It was also suggested that they might work for ranch owners for their food supplies.

Among those favoring such plans were George Henry Little, Chaplain at the Newton Home, San Diego; F. B. Andrews, attorney, San Diego; Charles A. Anger, representing the Community Chest² of Fresno City; S. A. Ledbetter, Director of Public Welfare of the County of Fresno; and Jacob Herzog, farm laborer, Merced.

In this connection Mr. Ledbetter made the following statement:

* * * Wherever we have been able to take a family here in Fresno who understood how to work on the farm and do things like that, if we can get them in the country they usually pull themselves together and make their way fairly well. A number of these people go out to these ranches and the rancher has no money, but they work for the rancher and he pays them off in barter. He furnishes them milk, butter and eggs, and sometimes he can go to the store and get a little credit and tide them along. It is a real inspiration how these people are cooperating with us to get along without any aid at all. I believe if we could get more people into the country districts, get them on the soil and get them to cooperate with those farmers out there and raise their vegetables and things like that and work for their milk and their butter, that the load would be greatly eased.

Mr. Herzog suggested the Swiss system of giving land to those in need. He thought that in this country it should be possible for the State to place unemployed persons on land that the State holds and thus relieve the taxpayer as well as the unemployed:

If this State or the United States is taking taxable land back and it goes back to the State, the State should at least hold enough land to place these unemployed people during the depression, relieve the taxpayers so they can start up in a small way to prosperity. But if they do not do something of that kind pretty soon, we will all be broke. * * *

Knowing there is a whole lot of this taxable land going back to the State, it would be a good idea, in my estimation, to hold on to the land and form land colonies. In the first place, for the families, put up some temporary buildings so the children can be sent to school, take the machinery from the counties that is not in use and tear up the land and give them seed and start them off and they will all be happy. * * *

¹ See Exhibit 9 in Part II B.

² See Exhibit 21 in Part II B.

PART I

C. LEGISLATIVE PROPOSALS SUBMITTED AT HEARINGS

The following list of legislative proposals submitted at the hearings does not include all the suggestions for unemployment prevention and relief offered. Only the specific recommendations for legislative action are summarized below:

<i>Subject</i>	<i>Scope</i>
Public Works	Advance planning of public works or public improvements as means of unemployment prevention and relief.
Allocation of Highway Funds	Provision that highway funds need not be allocated definitely to certain highways, in order to permit the Department of Public Works to meet emergencies.
Unemployment Reserves and Compensation, or Insurance	A system of compulsory unemployment reserves and compensation to provide an incentive to industry to stabilize employment and to furnish relief to the unemployed. (Various systems were advocated: both pooled and single plant types, contributory and noncontributory.)
Hours of Labor	Reduction of hours of labor to distribute employment among more persons. (Various plans were presented: six-hour day and five-day week by majority; also seven-hour day and five-day week, four-day and three-day week. Variation in application: to apply only to public works, and public employment; to include private industry as well.)
and	
Technological Unemployment	Abolition of contract system on all State work. Prevention of mergers and consolidations; and abolition of labor-saving machinery. Establishment of a State bureau of industrial training to develop a program of vocational reeducation.
Employment Offices	Stricter regulation of private employment offices. Abolition of private fee-charging employment offices. Extension of public offices. Prohibiting taking fee from any person sent to public construction job or public works.
State Aid	Appropriation by State to provide emergency unemployment relief to counties and municipalities.
Old Age Pensions	Extension of scope of old age pension law to include groups not now covered; or to lower the age limit and increase amount of pension.
Child Labor and Education	Further restriction of child labor. Extension of educational opportunities for children.
State Labor Camps	Extension of operation and service rendered by State labor camps.
Home Building and Slum Clearance	Creation of a State building fund to permit citizens to borrow for home building, under conditions similar to those granted ex-service men. Action by State to grant authority to municipalities to acquire by condemnation land for slum clearance programs; and To authorize formation of limited dividend companies in connection with such programs.

<i>Subject</i>	<i>Scope</i>
Tax Exemption on Building Construction	Tax exemption for period of ten years on private building construction started during next three years, as means of stimulating private industry.
Responsibility for Unemployment Relief	To fix responsibility between municipalities, counties and State for relief of unemployed.
Regularization of Employment	Establishment of a State economic council to assist in stabilization of employment. Authorizing the Department of Industrial Relations, or some commission, to promote the regularization of employment. Provision for study of California industries with a view to stabilizing seasonal employment.
Minimum Wage	Automatic adjustment of minimum wage to meet changes in the cost of living. Enactment of minimum wage law for men as well as for women.
Retirement Pensions	System of retirement pensions for all workers gainfully employed 20 years or more—to be financed by contributions from counties and municipalities and taxes on inheritances and incomes.
Age Limits	Payment of subsidy by State to employers hiring workers over 45 years of age. Abolition of age limits in State civil service examinations.
Employment of Nonresidents	To bar any one with less than three years residence in State from participating in work under civil service rules.
Registration of Unemployed	To require registration of all unemployed; also to require reporting by employers of their need for casual labor.
Shelters for Unemployed	To provide in the centers of population for publicly owned and operated shelters for homeless unemployed men.
Residence Law	Amendment of residence law to provide for care of migratory workers who are residents of the State but without settled place of abode in any county.

PART II

EXHIBITS

A. Experiences of Unemployed Workers Presented at Public Hearings.

B. Papers Submitted in Connection with Hearings.

PART II

A. EXPERIENCES OF UNEMPLOYED WORKERS PRESENTED AT PUBLIC HEARINGS

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PART II

A. EXPERIENCES OF UNEMPLOYED WORKERS PRESENTED AT PUBLIC HEARINGS

1. Story of William Bloch, Former Ranchman, San Diego.

William Bloch: I was for years a section hand on the railroad; I was for years a coal miner; I was for years a groceryman; I was for twenty years in this country as a rancher; last year I registered as a loafer, and this year as a politician. You can take your choice.

I know from reading there was a panic in 1837. I know from reading there was a panic in 1857. I am 80 years old, almost, and I have gone through the rest of the panics myself. In 1873, under General Grant's administration, I was working in New York City. The bank of J. Cook & Co. broke and my boss closed up and I was thrown out of work and I became a tramp.

Questions by Commissioner Cushing

Q. What were you doing then?

A. I was working in a machine shop.

Q. As a machinist?

A. Yes.

Q. After you became a tramp what happened?

A. I didn't become stationary until 1878.

Q. From '73?

A. From '73 to '78.

Q. Five years?

A. Yes. That panic didn't reach its bottom until 1877, four years after it broke out. We are only two years from the breaking out. That panic didn't reach its end until the spring of 1879. The depression lasted five and one-half years. At that time the whole West was open to homesteaders. At that time the mountains were honeycombed with new homes, new mines that were opened. At that time railroads had been building all over the country. At that time new towns were being opened and other towns increased in size. There was room for any amount of people to go to work on any work; and yet tramps by the millions, even in that day, traveled the country back and forth without work.

I stayed in the town where I started out as a section hand and coal miner; and then in a store as a groceryman; and in '90 was a fairly well-to-do business man. In '93, under Grover Cleveland the panic broke again. In '95 I was a tramp again. That panic, I have heard it stated to you today, lasted for two years. It lasted five years. That panic was in full force and effect in '98. The Spanish American war pulled us out of it. At that time there were still plenty of farm lands to be had, plenty of timber lands. It was right after the Ballinger scandal of stealing the timber. There were new towns and plenty of expansion of existing towns, and yet there was a depression.

Question by Commissioner Cushing

Q. When did you get employment at that time?

A. I got an inheritance from my mother and I moved out here, married a sick woman and lived 20 years on a ranch. Then another inheritance came along. I worked all my life, and worked hard. As a farmer I would have been crowded out with the rest. In 1913 there was a depression, and you all know it would have culminated into a panic only for the world war.

Now, I want you to look over the field. There isn't an acre of decent land to be had for homesteading. There isn't a railroad to be built anywhere. We had lots of work, factories building between '98 and 1929. There isn't a chance for a new factory anywhere. Look at the number of people employed in new industry between 1898 and 1929. There is no room for them any more.

In northeastern Norway there is a small animal called a lemming. He lives in a kind of desolated area where there is not much growing. Every once in a while the food supply gets too small for the lemming and they go southwest and they cross creeks and lakes and rivers and they eat everything in front of them. There is no man that can stand in front of them. When they get as far as the Atlantic Ocean they think it is a lake and they try to swim the Atlantic and that is the end of them. There are a few left behind.

Years ago Horace Greeley made a statement, "Young man, go West and grow up with the country." Were he living today he would make the statement, "Go West, young man, and drown yourself in the Pacific Ocean, like the lemmings do in Norway."

I want you to do something so that the young men do not have to drown themselves for lack of food and clothing. There is wheat being hidden in the bins. We can't get at it. There are potatoes rotting in the field, and we can't get at them. There is fruit rotting on the trees, and we can't get at it. They advise the planter to plant less wheat. They advise the cotton grower to plow under their cotton. They practically advise us to drown ourselves.

2. Story of Martin F. Blank, Unemployed Printer, San Francisco.

Martin F. Blank: I am a printer by trade. At the present time I am unemployed. I represent the city charity workers, who are on the charity jobs here in the city, city charity workers that are employed to work one week out of three for a box of groceries and a check of \$1.46. I believe [that] is the average.

I represent the average family man in San Francisco. I am unemployed. By reason of the fact that I have a family, a wife, two daughters, one thirteen, one fourteen, and a baby boy almost three years old, I have to find some way of existing. I have tried two years to find work, and I find that there are hundreds of others doing the same thing. I can't find any work. There is no work. A few months ago, after we had sold every possession that we have that we possibly could get anything for, I surrendered. I was one of those fellows who believed that prosperity was around the corner. I went to the Associated Charities and I stated my plight. I told them, "We have nothing

to eat, no place to live, no further can we go. We have got to have help."

We were born in the South, in that part of the country where it is a great humiliation to ask for charity. It took a long time to sink our pride, but we did. I was informed at the Charities¹ that if I worked one week in three they would send me a supply of groceries, a box or two each week, and a small check. I got an emergency package the first day I was there, enough to last for dinner that evening, that is, an ordinary dinner, and a light breakfast the next morning. The next day I registered and was assigned to work, and a day or two after that I got a nice box of groceries and a check for \$3.06. A day or two after that they started sending two quarts of milk. I went to work the following week at work for the Associated Charities¹ at the Relief Home. I was assigned to work that I could not very well do. However, I undertook it, and took sick on the job and was unable to work two days.

Question by Commissioner Cushing

Q. What kind of work was that?

A. Pick and shovel. The second day I was there I was impressed more or less by the surroundings and the seemingly broken spirit of those who, like me, were working for their boxes of groceries, and I was still further impressed by the audacity of some of the foremen and bosses on this particular job. I happened to come there in the morning and another worker who had gone there said something, and was told, "Get out, you charity bum, if you don't like it. Beggars should not be choosers," or words to that effect. A few days later I went back to work at the same place and the same thing occurred, only this time the "charity bum" part of it was eliminated.

I bring that up just to show some of the humiliation that men of families, who have had in the past some type of culture and refinement, must face today under so-called speed-up and wage cuts and whatever else we are suffering in this so-called crisis.

The second week's box of groceries I got from the ¹Associated Charities was a little shorter than the first week's and the next was a little shorter; and so it has continued until now I get my box on Friday; and I am telling you the truth that if on Wednesday morning there is enough left there to feed a canary bird I have been unable to find it.

Now then, I want to speak a little bit of the terror of the motherhood of San Francisco, and the humiliation and degradation for the children that must undergo this. Last night, friends came over to visit us. We still have friends, paupers like we are. We live under rather peculiar conditions, yet there are some that cling to us. Somebody rang the bell, and the little girl answered the bell, and the sheriff handed her one of those eviction notices with a beautiful gold seal down in the corner, one of Hoover's prosperity certificates. Well, my wife had been frantic. We had been served with a previous notice. For two weeks she went through all the tortures a woman could, a mother caring for a baby and sending two children to school, with nothing to eat and no clothes to wear. That is the plight of my wife and thousands of others in San Francisco. When I got the first notice I went

¹In answer to the criticism of the Associated Charities contained in the testimony of Martin Blank, see statement of C. M. Wollenberg, pp. 21-23.

to the Associated Charities¹ and asked if there wasn't a possible way that we could get the rent paid, so the stigma of dead-beatism wouldn't have to be placed on my family. They said, "No, stay as long as you can, until you get that gold certificate, and come back and we will give you a deposit on another place."

When I go to the next place I have to lie. I can't use my name. Although the police department of San Francisco denies the workers, the married men or others who wish to organize for the protection of themselves or the betterment of their condition, the right to organize, they are beaten and thrown in jail; but the landlords are not. They are organized, and they are so thoroughly organized now when you go to hunt a home if you have any connection with the Associated Charities¹ and tell them, they won't have you. My wife went to four or five places today that seemed fit, and they told her she would have to get a certificate showing her husband was working in order to get a place to move in. While I was at the¹ Associated Charities there were about 30 men there that were waiting to get a deposit to do the same thing I did, to go and lie to some other landlord and beat him out of three or four months' rent and play the part of the crook again.

Here is the whole situation. When I worked, I paid to the Associated Charities¹ and asked no questions, except that it should go to the relief of the poor; and I was sure it did and that they got it; but I have been disillusioned in a lot of ways. I thought that citizenship in this country meant everything; that we should stand up on our hind legs as American citizens and do what we thought was right, regardless of whether we are workers or capitalists; but I find now it is a case of class against class. The struggle was always inevitable, but some of us have only lately had the veil lifted from our eyes. I thought the Associated Charities¹ was a gentle agency of mercy, one of the most humane agencies there was. If I lose my box of groceries for it, I will say the¹ Associated Charities have degenerated into a school of crime, where whole families are taught the fundamentals of criminalism, where Al Capone could probably be given lessons that would help him in his work.

I mean this, when I went to the Associated Charities¹ in regard to the eviction, I told them, "That is dead-beating." "Well, beggars should not be choosers." That is the word that is passed along. "All right," I would say, "I am willing to do anything in the world for my family; but if the landlord comes to my wife and asks her questions, what is she to do, lie, be a dead-beat the same as I am?" "Well, yes." "And how about the children? If we are not at home and somebody comes and talks to the children, are the children to be coached to be dead-beats, lie to the landlord, skin him out of his rent?" If it is all right to take anything from one type of capitalists, then why isn't it all right to teach my child to go down here to the stores and steal the food and clothes and things we need?

The San Francisco Police Department hounded me and others for going to the Associated Charities¹ and petitioning for the things that we ask for as decent citizens. The police are there with clubs, ready to do the bidding, of whom? the workers, the ones who have created the surplus? No; to defend those people who tell us to go home and

¹ See footnote, p. 157.

tell our children to steal, to lie to the landlords, to be crooks. These police officers, who are supposed to protect the honest citizens, they are there to defend these citizens who make liars and cheats and thieves of our families. I would like to talk to the chief of police for about ten minutes and tell him where his police department could do more effective work in eliminating crime than they can when they go up there and try to stop us when we go to get an extra bottle of milk or some food for our children.

I don't mean to be unpatriotic. Everything I say comes from my heart; and I hope the commission here will not take the word of every worker that gets up here and tells them everything is nice and rosy, that they are happy and contented at these slave labor camps and they are happy at these city jobs. If you doubt my word, go with me, and I will give you the names of thousands, and I will take you into the homes of hundreds of families here that live as I do and are suffering the same as I. And I want to tell you further, it is not only in my situation, a man and wife with children, but older people.

I happen to have a neighbor, a man by the name of ———, who lived on Fell Street. He went to the Associated Charities¹ and told them [the landlord] threatened to lock them out unless they moved.

According to California law, as it is interpreted at the Associated Charities,¹ you can't evict a family that has furniture without due process of law. A fire happened across the street from where the ———s lived. Mrs. ——— stepped out on her steps and was watching the fire. The landlord's agent broke in the back door, rushed to the front door and locked it, and grabbed a board when she tried to climb through a window, a 65-year-old woman, and said, "Push that down and I will brain you!" She called an officer, and she and the agent stood there quarreling. The officer said he could do nothing, which I don't believe he could under existing conditions, and they talked and talked. The landlord said, "This woman broke a window," and the policeman said, "Have her arrested."

So they came to our home and we shared our quarters and food with them for three days, while they tried to get an adjustment through the law and the Associated Charities.¹ They went to the district attorney the following morning. And he issued a citation to the landlord and said, "They can't evict you that way." The citation was answerable the following day. The following day they went down to the district attorney's office and the landlord refused to answer it, so they said, "What shall we do? Can we get a warrant for them?" "Well, it is illegal entry, but I will see whether we should issue a warrant." Afterward the district attorney said, "No, I don't believe we shall issue a warrant." The people were stranded, without a penny, with nothing at all, and there they were denied their rights under the laws of California, by the sheriff's office. Well, the result is they can't get a warrant, they lost their furniture, their clothes, they lost everything they have got, so far as I know.

I want to state in closing briefly this, that the married workers, that the workers, all of them, have got to have—it isn't a case of asking for it, it is a demand—that we have unemployment insurance, uncondi-

¹ See footnote, p. 157.

tional unemployment insurance. If I have got a job today, under the plans that some of them have, we get insurance if the law is passed later on; but as an unemployed man today I have no protection; and eight or ten or twelve million more like me in the United States are in the same condition. We must have that. We must have in San Francisco free rent, free lights, gas and water, clothing and warm lunches for our children. It is a crime to think that growing girls, going into womanhood, have got to go to school without food, without decent clothing, as mine do. Those things must be corrected. I hope that your visit here is sincere. If it is intended to do us any good, then immediate action is necessary. This thing of committee after committee, we have heard them. We have heard this boloney for a number of years, ever since the crisis started, but with due credit to the commission here, until such time as they prove otherwise—I want to thank you for the opportunity of talking. But I want to tell you that if the so-called bosses of California or San Francisco, and of the United States, are not going to move us out of this terrible plight we are in from the terror of the police and the 2500 deputy sheriffs who are hounding us with bills that they can't collect, unless that condition is corrected by those in power now, I will guarantee you that it won't be two more years until there will be a new power big enough to take care of the unemployment situation.

3. Story of Mrs. Mildred Olsen, Housewife, San Francisco.

Mrs. Mildred Olsen. I am a domestic, a housewife, and belong to the Unemployed Council. I have a great deal on my mind and there is a great deal needed to solve the situation. I was asked if I am here as an individual or representing an organization. I answered, "Both."

Starting out on the family budget. My husband, a seafaring man, a sailor, is a winch driver in the merchant marine. His income isn't much and I have four children, one boy going to school. By the time we paid our rent, \$20 a month, had enough left for a few bills, there was barely money enough to exist [on] for the remaining three weeks until the next pay day, which brought us to the condition we are now in, living under the system of the Associated Charities.¹ When my husband became unemployed our means were gone, our little savings we did have, and our only salvation or means of livelihood was the Associated Charities.¹ When I went up there to ask for a few groceries to tide me over until my husband became employed, they asked several questions that were personal family affairs, which was no justice of theirs to know, and they brought in more or less discriminations, more or less intimidations.

We go home and we figure, "Well, we lose our spirit and life isn't much worth while to live. Well, if you commit suicide it is all right with them. They don't care. It is that much less," which I have thought of many times. Two years ago I also thought, "What is the use?" My husband works a few months during the summer and there is nothing in the winter. We all have ambitions, especially for our families. We have bread today but we want butter tomorrow. Life isn't much. If we can not better conditions for our children

¹ In reply to the criticism of the Associated Charities contained in the testimony of Mrs. Olsen, see statement of C. M. Wollenberg, pp. 21-23.

today, they will have to go through the same thing a few years from now as we are facing now. And we, the citizens of the United States born and raised—and if not, are Americans—we are not only fighting for ourselves, but for the future of our children, the next generation.

Well, after all, what is the use to commit suicide? You are better off dead. Well, that is right; [but] I have my children. On the spur of the moment I would have oftentimes done it; but after this spell wears off it is just one more incident in life after another which we more or less experience as a whole.

Well, now, that we are going to the Associated Charities,¹ they brought out a couple of bare boxes. I looked in the first box, hardly nothing. Then I figured, "Well, this must be stretched to take care of us for a week." I overhauled them, stacked them on the shelves; couldn't be seen, practically nothing in the boxes when they are taken out and [put] on the shelves. I tried to stretch and skimp and utilize to the best of my knowledge, but it couldn't be done to last us through the week. I thought, "This is the first experience with the box. Surely the second week it must be improved. This might have been a little oversight, and I will excuse it." The second week it was the same.

I kept my boy out of school for the first time on account of shortage of food. I wrote a note to the teacher that he wasn't feeling well and to please excuse his absence for the day. The third week it occurred, and I thought, "Pride won't feed my child and neither will it bring us any better conditions, and now is the time we woke up and come forward and tell our case to some authority." I told the teacher, "Shortage of food, husband working for charity and we are being abused by the Charities¹ where food is concerned." That noon I received a note on the back of the slip to, "Kindly attend school and see me at your earliest convenience concerning your child's case." The box was due in a couple of days; so I thought I would wait, which I did, with the same result. The third time I kept the boy out of school, and the truant officer was down to investigate. I explained in full detail how the occurrence had come about; and she said, "I will give them one more chance, and if it happens once more we will take it to the Board of Education." She said, "It is bad enough to keep a child out of school when it is sick, let alone keep it out for shortage of food, when the city is plenty prosperous in food."

A couple of days later a party knocked at my door, representing the Unemployed Council. She said, "Is there anyone unemployed living in the building?" I was more or less embarrassed and I didn't like to answer the question, and I kind of beat around the bush. "Are you receiving help?" I didn't like to tell the true facts. "Are you receiving any help?" "Well, yes." "Are the Associated Charities taking care of you?" "Yes." "Are you getting sufficient supplies?" "Well, yes, but—" She said, "You are not a bit satisfied. Let me come in and talk to you, will you, please?" I was more or less embarrassed, but not as much as I was in the beginning. I thought, "Well, I won't lose anything, and it might come to some effect that I may have a little more for my children and it won't hurt us to investigate the true inside information."

¹ See note, p. 160.
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She asked me, "I wish you would join the Unemployed Council. They have given results to several others in the same circumstances you are in, and if you will come to my house to our block committee meeting we will talk it over and we shall see [that] your children have food. It is the children, not only ourselves, we are speaking for." So a few days later we went up to the Associated Charities.¹ I was like many of the others. I was afraid to squawk, [inclined] to be satisfied with what I had and not lose it and have nothing.

I was presented in the office. "What is your case?" "My children are underfed. They are not receiving sufficient food and they are not receiving the stimulant from the food to build their bodies and give them strength, energy, blood, vitality." "What do you wish?" "I wish for an increase in my food, especially to give the children three meals a day during the week." "Have you any food in the house now?" "No." "Where were you born? Where were you raised? Are you a citizen?" and what not, in order to get food. In other words, you could go hungry.

Questions by Commissioner Splivalo

Q. Who asked the questions?

A. The lady in the office.

Q. The Unemployed Council?

A. No, the Associated Charities.¹ The next day I received three boxes heaped to the brim.

Q. From where?

A. The Associated Charities.¹ The next week I was facing eviction. I presented my notice to the party at the Associated Charities.¹ "It has no gold seal." My landlady is a widow and has one vacancy and two places she is receiving no rent [for from] such families as myself, so she has been willing enough to trust us to the extent of letting us stay there so long without paying rent that her patience was kind of worn out and she couldn't wait much longer, and taxes were due. I explained to her, "I am not paying taxes. I am paying rent; but we are not in a position to pay any rent. We had to get out. We had the convenience of having a roof over our head." "She might as well [let you stay as] have it empty." Because there was no gold seal on the eviction I could stay until I was put on the street. In other words, the landlady, being a widow, she couldn't afford a gold seal. Until she would throw us on the street, I would just owe her that rent.

Q. What is the gold seal?

A. The sheriff's notice. If the Associated Charities¹ paid my rent to move to another place for a week I could go galivanting around and pay rent for one week, or I could stay in one place till I got the bounce again. Then I would give the impression I was a dead beat and raise my children in that environment. The children get wise. Children are more advanced now than they used to be fifty years ago. I stated the case and she stated, "Well, you can stay there another three days." I said, "Another three days don't bring me any better results." "Well, you get a gold seal, then we will see what we can do. We have no authority to pay the rent where one is living unless they move."

¹ See note, p. 160.

I said, "My children are being kept out of school on account of shortage of food. I have already explained that to the school and the next time that happens it will be taken before the Board of Education, and I will also explain that you wanted me to move and not pay the rent until my husband gets work; and by then I will owe so much rent that with his wages it will be all we can do to pay our rent a week at a time and take the children through for their three meals and take care of other bills that come along when you are raising a family." "Well, there was no effective law to pay rent where we are living." "We will have to pay rent."

The following week the Unemployed Council and myself and a few other families presented ourselves to the Associated Charities.¹ That is the time our two leaders were arrested because the committee demanded that we be given relief. We could go hungry; we could live in basements and skirmish in ash cans and our children go hungry; but by organized pressure we got our demands met. I got \$20 rent in advance without moving, our gas and electric [bill] was paid. "Now," she said, "Your gas and electric bill is in your landlady's name. She could pay the gas and light bill now you are paying her \$20." "That wasn't the agreement when I moved in. When we moved in the house we had no money to pay the gas and lights and she agreed to sign her name to the bill with the agreement we pay the bill." Because she got the \$20 they thought she should pay my bill. It would be \$10 for the gas bill and \$10 for her for the rent. Was that fair? No, it wasn't. "Have you any other means of cooking besides gas?" "No, we haven't," and we got the gas bill paid.

One of our comrades was arrested on entering the building. There was two comrades left on the committee, myself and Feingold. We entered the building and we were told that the building was not large enough to accommodate the crowd and not enough chairs to accommodate them. So we remained outside. They tried to arrest my husband because he was representing the crowd.

There were the little children. They had [had] nothing to eat from the night before. They had no breakfast; practically no clothing, no coats. [It was a] cold winter day. "Go to the relief [station] and get your children clothes." I got shoes thrown in my face that were worse than my little girl wore. After that they presented me with a \$3 shoe order from the Chronicle Christmas Fund, after saying the Christmas Fund was all gone.

Q. Was the money from the Chronicle Fund or the Examiner Fund?

A. Chronicle Fund.

Q. The incident of the truant officer. I can appreciate your embarrassment. Did you go to the teacher when you got her note?

A. No, because they told me to come up at my earliest convenience, but three days later the box was received again.

Q. You didn't write her a note to tell her you would be up later?

A. I told the boy I would be up there later; but the truant officer was up there after I received another box, and she said if it happened again she would take it up with the Board of Education.

¹ See note, p. 160.

Q. Don't you think the school teacher was very sincere in wanting to see you?

A. Yes, indeed, she had reasons to be.

Q. How long has your husband been out of employment?

A. Since the week before Christmas.

Q. Is that the first time you were to the Associated Charities?

A. No, last year we were on the Associated Charities¹ list five weeks.

Q. Is his employment rather seasonal? In the ordinary course of events would he be employed again or is it due to the depression?

A. It is due to the depression and it is seasonal.

4. Story of Herman Boren, Unemployed Milling Machine Operator, San Francisco.

Herman Boren, milling machine operator. I elected myself to represent the homeless unemployed.

I got to be homeless just about four months ago. Up until then I had a room. When I left, I put my trunks in storage and left some baggage to compensate them for the rent I owed. And I have been depending on the city charity; and I happened to get in the soup lines and flop houses; and it is the first time in my life I had to contend with that; and I found myself in the worst possible condition anyone could find. You have heard for two days recited the hardships of the married people; but it doesn't compare with the hardships of the homeless man, for this reason. They get their rent paid for one week or a month and then live about three months until they are compelled to move again. They can sleep in their own bed, come home when they want to, cook some food and do almost anything; and they find it a hard thing to do. How would you like to have no place to eat or sleep and no place to stop? Because I attended these meetings yesterday—I sleep at the St. Patrick's shelter—I was locked out. We got out of here after five and I stopped to talk a few minutes and get something to eat and I had no place to sleep. I was not allowed to sleep on the floor of those flop houses and they are empty, just because of rules. They make rules and laugh at them; and I thought it was up to me to tell some of the hardships we put up with.

I have many times made up my mind this civilization isn't worth a darn. If tomorrow this commission could ship me out among savages who are not cannibals, I would gladly go.

An unemployed worker can't sit himself down nowhere without the police interfering with him. Being homeless, like [I was] last night, if they sit down in a cafeteria to spend the time, many times the police come around and raid those fellows and arrest them for vagrancy. And many times they ask you, "Where do you come from?" and if they discover you come from some place else they will give you 30 days suspended sentence and expect you to grow wings to go anywhere. I heard a fellow ask the judge how he could get to Oakland. If he begged he would be arrested. I think the least they could do is to offer a man a nickel; and he never even offered him a nickel. He said, "You can use the highway."

¹ See note, p. 160.

I figure with this civilization we have—I raised a sort of family myself but I am not going to dwell on that—the cave man 5000 years ago was better off than I, and for the reason that he had a cave.

I take this satchel along with me all over, and this is my room. I keep my little things in here. I used to have a valise in a place, the Unemployed Council over there. There is a lot of poor devils around and I had about \$25 worth of nicknacks in it—at least they was worth \$25 to me, maybe they was worth \$2 to anyone else—and anyway, I can hold this by carrying it around. Some people think I am a salesman and think I am crazy, but I can't help it. It is not a laughing matter for this reason. I found myself wearing an overcoat in hot weather because I had no place to put it. Nobody wants to take charge of it because they know it might be lousy. I have been arrested, and the sergeant got a policeman to take me to the Southern Police Station, and the sergeant says, "Don't put him in the wagon. He is lousy. Walk down with him." That is the very words he used. The point is this: Everybody knows that everyone of us can be picked up by a policeman any time for vagrancy. A young man and I sat down in the park. We agreed to go to sleep in the Hall of Justice garage that night because we had no place. I had a piece of cake in my pocket, and I intended to eat that piece of cake in the park, Union Square, opposite the St. Francis Hotel. Along comes a couple of plain clothes men and picks the two of us up and had us arrested. And what did we do? We just simply sat down in the park and ate a piece of cake. A man is a vagrant because he is not working. He can look for a job as much as he likes.

Mr. Wollenberg¹ said he couldn't find any money to pay for rent. If a man is a vagrant simply because he can't find work, why don't they take the apartments that are empty and put a vagrancy law on them and tell the landlord why doesn't he allow the public that is unemployed to use those apartments rather than let them lay idle? It takes a lot of labor to build those apartments. I suggest the use of those apartments. Why, if I had a vacant room—I can't get it. Why don't they make a vagrancy law for apartments that are empty and commandeer apartments; and perhaps that would be a sort of solution for paying the rent?

Well, now, the flop houses—of course I take a bath and wash my clothes, and the next day I have to scratch anyhow. I don't know why, but it is the truth. I believe it would be a wonderful recommendation to have all those miserable flop houses have one of those delousing machines they had during the war. I am staying in one of the best flop houses they have, but the trouble is you have to be in there about six o'clock. People hang around from about three o'clock to get in, and you have to be in at six o'clock and you have to be out at five o'clock in the morning, and hang around until seven o'clock for mush. Imagine standing from an hour to two hours to get three cents worth of food! Men standing around for two hours for three and a half cents worth of food!

This is worse than among animals or insects. There isn't a fly that is homeless. A fly has a place to sleep. A bird isn't homeless. They build a nest. They don't build a flop house. Maybe a flop

¹ See testimony, p. 71.

house is all right for a few days, but when people have to use it for six months or a year—I don't know how long I will have to use it; maybe the rest of my life. I think the city ought to make arrangements and give a fellow like myself a room. I am living like a parasite. It has to be given to me. One night I was hungry and I had to go to a store and beg and they gave me a stale cake that maybe was worth ten cents fresh. That is the cake I was telling you about. I sat down in the park to eat it. I thought, "Darn it, if I had my room I could boil some water and with a little tea and sugar I could make some tea." And I got arrested because I offered another fellow the rest of the cake. It is the most contemptible, outrageous thing. I can digest food just as good as anyone.

I used to talk with fellows in the soup lines; and the stool pigeons got wise and interrogated me and phoned the sergeant and had me arrested two times. I got out. But the point is this, am I a prisoner because I am unemployed? I am treated like one. Why do we lose our rights because we can't get work? It is not our fault, but they treat us like it was. There is a lot advocating overthrowing the system.

A reduction of hours is imperative, a six-hour day and a five-day week, is the highest they can start with. They claim if we make the day's work too short we couldn't compete with some countries. For that you can answer that a man with improved machinery in the United States in six hours could produce as much as a man in nine or ten hours in another country. I believe in unemployment insurance, too. This is an emergency. Nobody should work more than six hours. If a person works more than six hours—if he works twelve hours he is doing the work of another man, of me, and he is getting my pay, too. I don't mind his getting his pay, but if he gets mine I am outraged. I feel the nation ought to take it up.

5. Story of Max Olson, Unemployed Youth, Representing the Youth Committee of the Unemployed Council, San Francisco.

Max Olson, unemployed.

Questions by Commissioner Cushing

Q. Are you working at all?

A. For my meals.

Q. What is your connection with any organization?

A. I belong to the Unemployed Council, and I am on the Youth Committee.

I would like to bring out a few facts about the young workers at the present time. Most of the workers who have been getting up and testifying what their conditions are today forget entirely about the young fellows under 21 years of age. The men who work on State jobs have to have families, or they have to be over 21. They have to be citizens. No one under 21 who isn't a voter can get any of the relief that the city hands out.

I would like to point out a few things the young fellows have to contend with. Most of the fellows who haven't any family know what it means to be faced with actual starvation, and when I say starvation I'm not kidding anyone, either. When we go to one of these charities,¹

¹In reply to the criticism of the charitable agencies contained in the testimony of Max Olson, see statement by C. M. Wollenberg, pp. 21-23.

they send us to Folsom Street, and when we get there, to the Bureau for Homeless Men. And, first of all, they put us through a lot of "red tape," then give us a ticket for seven days or so to sleep in a flop house that is lousy. I have scars on my body to show that; it doesn't seem possible to me that a louse could bite me so hard as to make such a dent. Those flop houses are filthy.

The other young fellows, the ones that are able through hook or crook to maintain their personal appearance, wear a necktie and white collar, they are likely to get a chance to get into the Y. M. C. A. for a week. I tried that, and they let me in there for a week. Even though sometimes half of the rooms are empty in that Y. M. C. A., they will only let a certain number of fellows in, regardless of the fact that it is supported through public contributions. These organizations just let a few fellows in, in order to pose that they are doing something for the unemployed, but in truth they're not doing a darned thing. At the end of a week, if you haven't any signs of finding work, or definite proof that you are going to get work, then you are evicted out of the place. If you insist on going back, they lock you out, or use physical force to see that you don't enter your room. That is the thing those charitable organizations do—friends to young boys!

A while back a camp was opened for young fellows. These camps were supposed to give the boys an opportunity to get their board by doing a little physical work. Even these camps didn't last long. As bad as the camps were, they were a place for the young fellows to go, anyway; and now those camps are closed, and those fellows are coming back just to take these seven days, and when they use that up, well—

If you will notice the fellows riding in the box cars coming across the country, you will see that a good portion are young fellows, and they keep us moving from one place to another. If you want to find out what this means—well, at the Y. M. where I was, there was a couple of young fellows in the washroom when I happened to be in there. They didn't have any change in their pockets. Of course, the Y. M. couldn't afford to give them a little change even for car fare. Well, in this lavatory I heard these young fellows pulling off plans to pull off a small job, just so they could get enough to buy some food, and believe me, that goes on every day. Fellows who never had any intention of stealing, and hate to beg, are forced to do this because our government refuses aid to the young fellows.

If the government doesn't provide any relief, how do they expect us to get a living if not by begging or stealing; and when we do beg or steal, they pull us in for vagrancy or petty theft, and put us in the rotten jails, and force us to become criminals. There are plenty of young fellows serving time in Juvenile. And that's a school for crooks—fellows have gotten in for stealing or begging or picking up an orange perhaps—they might be picked up for such little things, and be thrown into jail or Juvenile; and as a result, when they come out, they know how to do it the next time so they won't get pulled in.

The Youth Committee of the Unemployed Council is organized of young fellows, to put up a fight for unemployment relief; and we expect to put up a fight, too. If the city government thinks it is more important to maintain high salaries of officials, placing them before the young fellows that are still growing and still have to have more nour-

ishment, say, than older fellows, if they think it is more important to keep up the high salaries—well, we'll find some way to get relief. We are going to force them.

The Youth Committee comes up, speaking not in view of the fact that we think we are going to get anything out of this commission. We know this commission, these gentlemen and this woman on this committee have been sent purposely in order to fool the working class into thinking that the State is going to do something for them.

We are speaking now so that when you gentlemen come back and say you can't do any thing for us, that we will be able to point out that you do know the conditions, that we pointed them out to you in April in San Francisco and that you do know the true conditions, and that the fact that you aren't doing anything isn't because you don't know what is taking place. It is because you value your own pocketbook better than the stomach of the next guy.

The Youth Committee has demands. First of all, since this present crisis has set in, plenty of young fellows are taking the place of adult workers. There is quite a number of young fellows in cafeterias for instance. At one time they only hired men and women, and now they have only busboys, and they work for three hours a day and get three meals. These meals cost probably no more than 15 or 20 cents, and when it comes to asking about these things—asking for a raise in wages or something like that—why, they think they are doing a big favor to the fellows to let them work there at all. They do not do anything as a favor to anyone except themselves. The only reason they have the young fellows is because they are able to do away with the wages that they had to pay to the married men, and now they are getting this work done at a much cheaper rate.

I think every one of our workers know that the young fellows are being placed on instead of married men and adults in order that the bosses can make more profits. The boys are usually paid from \$10 to \$18 a week; they average about \$12 or \$15, and they take the place of the married men, who at one time worked for \$25 or more.

We demand immediate abolishment of child labor, and that the State and national government maintain those youths who are turned out in the world through circumstances to get their own livelihood. We demand that vocational schools be opened up, in which young workers will be able to get a chance to be educated without cost, and at the same time get their maintenance.

We demand that public buildings, sufficient to house the unemployed youth of San Francisco, be opened up, so the unemployed youth won't have to go into these flop houses, infested with syphilis, lice and every other kind of filth and dirt.

We demand that there be recreational centers opened up without cost to all young workers. Today most of the gymnasiums, swimming pools, etc., aren't open to the fellows who can't pay the price of admission, and the city government is capable of opening up these gymnasiums and swimming pools, so the young unemployed workers can have a certain amount of recreation, and keep themselves clean, mentally, physically and morally.

Also there are a few other demands. We demand that the State government and the city government immediately find ways and means

in order to help the boys out that have no food whatsoever, to see to it that they get three squares a day, and that [the relief stations] must be opened up for the boys in order to feed them, and that they should be run by committees of the unemployed youth. We have had too much experience with these bureaucrats—they make us go through a lot of red tape, they humiliate us. For instance, the man who runs the employment office at one of the welfare organizations. He paces up and down in his office in front of the boys, and calls them every name under the sun sometimes, and he points to his \$12 shoes to show the boys what an immense success he is, and then blames the boys because they can't get a job. We are sick and tired of them and the way they are putting the money in their own pockets, and we demand that in all these things that the State and city government have these things administered by the unemployed themselves, by the unemployed who know what it feels to be hungry, not by a bunch of social workers who eat their three meals a day, sleep in a feather bed, and then bawl you out for not being able to get a job.

My time is up, but I would like to point this out. We don't expect to gain anything through this hearing. What we do want to do is to have before your minds that we are presenting before this commission the true facts of the unemployed youth, and then if nothing is done, we will deal with them as our class enemy—a commission who represents the big interests, and refuses to give the unemployed any relief.

Questions by Commissioner Cushing

Q. Where is your home?

A. I originally came from San Diego.

Q. Is your family there?

A. No, my family lives in the East, as much as there is.

Q. How old are you?

A. Eighteen.

Questions by Commissioner Splivalo

Q. Have you a trade?

A. Yes, I learned a trade in high school. Like most other young fellows, we learn our trade in high school, and then when we get out we can't find a job at it.

Q. What is your trade?

A. Sheet metal worker.

Questions from the floor

Q. Did you, or did you not, work for three meals a day?

A. Yes. Anyone here who thinks that the unemployed are only a bunch of professional bums is someone that—well, I would call him an imbecile that's all.

Q. Would you go to the labor camps?

A. If I could find any way not to go, I wouldn't. The labor camps don't provide work. These men who holler about not wanting the dole—if there is anything more demoralizing than these camps, I don't know what it is. We want enforced insurance, not labor camps.

6. Story of Louis Freck, Unemployed Carpenter, Representing Unorganized Workers, Fresno.

Louis Freck, carpenter by trade. I represent some of the laborers at the present time that are not organized.

Questions by Commissioner Cushing

Q. You are speaking now for unorganized labor?

A. More or less.

Q. What would you like to tell us?

A. Mr. Chairman, and members here of Fresno: I have sat here in this hall many times and seen the organization started here some time ago for the unemployed. They sat here in groups and they represented different organizations and started something; and also went over to the Rowell Building, where we had the plan for the unemployed to get work at the maximum labor of two hours a day, as you heard the mayor speak today, and it was for nonresidents.

Now, I have been out of employment since last August, and I have worked only seven days since last August, and that was for the city of Fresno. I am coming to the stout, husky fellow with the corporation, and I asked for a few days' work, and he told me to come back, and they were sitting there with about fifteen Mexicans and about two whites. And I came there three different times, and I was told to go with one of the workers. The worker asked where I was born and how long I have been in Fresno, etc., and she said, "Are you married?" and I said, "No, I have been married, but my wife deserted me, or I deserted her." The woman says, "We can't do nothing for single men."

We all have to live, no matter whether [we] are single or married. We had Mother's Day yesterday, as you know, and I have the carnation for my mother yet on me; and the official says, "Get out and go to work!" He pulled a couple of tickets out of his pocket and gave me two tickets to eat on at the Seventh Day Adventists, where you can eat for a cent a dish, and some of us residents have been starving this winter with that [place near] where you can get something to eat with clean cooking. And I will say furthermore, if some of our business men, instead of [having men] begging, would give them ten or fifteen cents from their [pocket] book, it would be much better.

To go back to that official, he done many other things. His wife even works down at the same place. You heard the remark one of the other parties says today, that 70 per cent of the money goes to labor. There are six ladies there. You go there for assistance and you have to speak to those ladies. You don't mind speaking to men like you. I wish that man was sitting here tonight. We thought this meeting was going to be carried on tomorrow. He spoke about cotton this morning. Now, I am going to talk about raisins. The raisin industry is working today at the Sun-Maid and they work tomorrow, two days a week of 14 hours. I know in a certain packing house where men have worked for 15 years, and all they get is 13 hours a week.

There is one more thing I have to say and then I guess there are a few more speakers and I will close. It is this. We haven't tried the remedy. You gentlemen are going back to Sacramento and you found out the conditions of Fresno, Los Angeles, San Diego and San Francisco. You are well aware that there is ten to twelve million people in the United States today working for the Federal government—post office, etc.—You continue to vote and have a steady position from \$100 to \$250 a month. Now, recently, you cut all the wages of all the poor laborers from 25 cents an hour to 15 cents an hour, but you haven't cut the high men and have no intention of cutting until forced to do it.

I am also speaking about Phillips today, our professor, making a remark about Bismarck some years ago in Germany, as I remember. That means that every man employed from New York to San Francisco, whatever his wages may be, there should be, whatever the government sets, 10 per cent or 5 per cent taken from his wages to help the unemployed through the United States. That is what has got to come and you hungry men here tonight will see it come by force through the Legislature or the Federal government, that [from] every man that is employed so much is taken, the same as taken for your poll tax, and that is for the unemployed.

Certainly we don't say the unemployed should be fed like a man working. I am not fed, or otherwise I could talk a lot better.

But in conclusion, speaking about married women, today you find that all through they are employed, in the school department, for instance. When I went to school the teachers wasn't supposed to be married. We have all through the schools of the United States today married women teaching school and husbands working elsewhere. In the city hall here today we have 14 married women working and their husbands working right alongside of them, especially in this court here. Mind you, 14 married women, and up in the county clerk's office the same problem, \$365 [for the] man, and the wife and daughter works in the county court house, and that is going on, and you are driving people to San Quentin.

Now, speaking for myself, I haven't got the education to be a clerk, but there is a good many people that could be a clerk. And some of them [women] are robbing the cradle, and half of them haven't a child; and that should be stopped through the government.

That is all I have to say. You may ask me a question or two and I will be glad to answer it.

Questions by Commissioner Cushing

Q. How long have you lived in Fresno?

A. Twenty-one years.

Q. Have you had pretty steady work up to last year?

A. No, sir, I have been out of employment about two years.

Q. Before that, how was it?

A. Before, I worked for the railroad a year and three months as a flagman. I also worked last year a month and a half for the Federal government up in Yosemite, and accidentally I sprained my back because the work was too hard for me. I have had a fair education but education don't give you work. Education don't count.

You gentlemen go back to Sacramento and put it up to the Legislature, as far as I understand, and through your courtesy what you have seen from elsewhere you have better thoughts than I have. Thank you.

Question by Commissioner French

Q. You are a good citizen of this city and very much interested. I know you would like to know that none of the members of the State Unemployment Commission are drawing any salary of any kind, and the two gentlemen here on my left and Archbishop Hanna, if he could have come down, are all paying their own way. They are giving their services gladly, trying to help you and the other men and women in this period of depression.

A. I only made that remark because our post office, police, firemen, etc., and school teachers are naturally employed the year around, and I concluded you were.

7. Story of Martin Wilson, Unemployed Harvest Hand, Sacramento.

Martin Wilson, 912 Twelfth Street, Sacramento, laborer, harvest hand.

Question by Commissioner Cushing

Q. Do you speak on behalf of any organization?

A. The Unemployed Council. Mr. Chairman, Commission, and Fellow Workers: I am here as one of the unemployed agricultural workers, who seem to be the subject before the commission; and I might be able to give you our side of the story. We have heard from the Community Chest, we have heard from your city activities, and relief work for the unemployed; but so far we haven't heard from any of the ones that have been relieved.

Now, there seems to be a question on the floor as to what is the cause of such human beings as myself, these fellows that roam about and make it as best they can in the harvest fields and picking up odds and ends of jobs. Now, I think that that should be one of my first jobs, to clarify the cause to the Commission, to explain what might be the cause in some instances.

We can only tell what we have experienced and therefore I must tell of my experience and why I find myself this way; and you will find that what is true of myself is true of many others in the same category of labor that I am in.

I was born in a middle class family, a family where the father did manage to make part of a living for all of us, and he kept his nose pretty well to the grindstone. And there were seven in the family and when we were old enough to help keep that grindstone cooled a little bit, we were called upon; and instead of giving an education at high school or college, he called upon us to help the family, which is the case of a lot of workers today.

In my case I happened to be rather fortunate and at the time I was called out to work my father happened to be making steps toward the top and he could give me more or less of an easy job. I fell in and started learning the building trade. Two years in the building trade from the time I was 14 to 16, and then my father went under. Then I went to work with the Jacksonville Concrete Products Company. I tell you the names because I don't want my statement to be disputed.

Q. Where?

A. At Jacksonville, Florida. I worked there, and on the strength of the practical experience I had with my father in the building trades I went to work as an apprentice draftsman, a draftsman's helper. My job was cleaning up the desks and doing whatever jobs they thought were not too complicated for me. After two years' work for that company I got to where I could turn out some of the important jobs and got almost capable enough to hold down a first class draftsman's job. Then we got hit in Florida, a reaction of our artificial boom. And the first thing that comes with a depression is a lay-off. Naturally there were men working in the same office I was that had the opportunity of the education necessary to fill the job I was trying to fill; so the first man laid off was the man lacking the technical points.

Now, let's see just how did I start running around? That is no excuse. But the thing was that I thought I might fill in on another job in drafting and found out I couldn't. What was the first thing I did? I hired out with Burton Cast Stone Company as a laborer. I had put in two years at a drafting board. The heaviest thing that I lifted was a pencil. On top of that I had loafed for six months on the savings that I had saved up. I went to work for the Burton Cast Stone Company as a laborer. They were artificial stone, and some of them weighed 150 to 200 pounds. It took a man hardened to it to do it. I held my job for one week and was fired. That was a kind of a slap in the face. Next I hired out to an insurance company, but it wasn't long before I found out I was no salesman. One job after another of this type, holding a job one week and being laid off; and pretty soon I had the reputation in my home town of being a fellow who wouldn't hold a job if you gave him one. Finally after I went to see the fellows I had known month after month looking for a job, they said, "He never works." When I would go in and ask for a job they would say, "Sorry," and then they would laugh after I went out and say, "I wonder if he ever works."

So I had to move out and leave that reputation behind. I moved out of Florida and into New Orleans. It was not my intention to run around, but my intention was to settle wherever I found a job. Now, then, in New Orleans we were greeted with the jail; 30 days. That was a slap in the face for the first time. You get used to it after a while. So as far as the jail was concerned I lost all respect for that; because I found out that every boy in the jail was simply out of work, looking for work, and on some pretense or other had been pulled up there. There wasn't a man on the floor in that jail that I was in that was really a criminal.

Q. How old were you when you went over there?

A. In New Orleans I was about 19 or 20.

Q. You left the folks in Jacksonville?

A. No, when my father went broke he went to Massachusetts.

Question from the floor

Q. We are not here to hear his story. We are here to hear intelligent argument on what is to be done in the future. The young fellow's story may be interesting enough, but it is the story of thousands.

Commissioner Cushing: The Commission is interested in this boy's story. We want to hear it.

Martin Wilson: After the 30 days, when I was turned out, it happened just as luck would have it that I was turned out in the time of Mardi Gras celebration; and their reputation is that around Mardi Gras to remain in New Orleans without any place to sleep means back to jail; so I immediately caught a freight.

From that time on it was just running. There was no harvesting going on and I had no agricultural experience; therefore I didn't know which harvest field to go to; but later on, through luck, I stumbled across your California harvest field. I was welcomed then with open arms. I wasn't considered a public menace then. It was down in Fresno and they were all running around looking for help. When the man I went to work for found me lying down on the grass I was

asleep. There was nothing too good for me and I was put to work on his grape vines. I made pretty good wages and I figured I would go through the harvest. I found out from the people how the territory ran, and I followed it. I ended up in Healdsburg, California, working for Mr. ——. I had made good wages, but it only carried me from one harvest field to another; and the nearer winter came the more intent I was to get enough to tide me over the winter. Now, then, what happened? When winter did arrive I didn't find myself in any certain locality. I found myself at the end of the harvest field. It was too cold to travel, so I stayed there.

Now, the next year I found myself when I ended up around winter time in Oakland. That is one reason that you will find men one year in Oakland, the next year in New York or some place in Kansas, where the harvest is.

Now, then, what are we going to do to relieve this unemployment? From what I have noticed in the harvest fields, from what I have seen in my own observation—of course I am not in contact with any books to keep records, but only what I have seen—from the talk of the ranch owners, from the talk of the harvest hands that have come in from other parts, it has always seemed to be on this one point, that the warehouse would not hold the complete crop that had been raised that year; therefore some of it must remain on the ground, the other to be harvested. In the case of grapes we were told to pick only the best and put them in the lugs; but we were also told to cut the rest and let them fall on the ground so the vine would be clear. Peaches, we found them lying all over, and were told to pick the select peaches and let the rest lie on the ground. In fact, on some of the ranches we were told not to pick them.

Most of my interesting facts happen to come from Mr. ———, because he was one of the ranch owners that was more or less intimate with me. He said his prunes had been sold with the understanding that two-thirds of them wouldn't even move out, that two-thirds of them stood on the ground. Those two-thirds didn't in that case; but that was the way he sold them, with that understanding. He told me this was the second year that his apples had stood on the ground and rotted, because they had no room in the warehouse for them.

What does it mean; if we have no room in the warehouse, does it mean we are producing for consumption? If we are producing for consumption we could make these jobs people were telling us about, that don't want unemployment insurance and want a job. But we find we are producing to fill a hole in the warehouse, and we can't find any jobs at any wages. They tell us to hold up the standard of wages. As long as they are independent of whether or not we pick the crop, the standard of wages is going to be pretty hard to hold up.

I want to tell you of one form of relief the city of Sacramento is giving us migratory workers. If you call yourself giving a man something, give him something that will help him instead of wreck him. When I first came into the city of Sacramento on a box car, I was dirty, clothes pretty dirty. Before I came into the city I wanted to look clean and respectable, anyhow. I went to your civic center—I think you call it, recreation center; and I found in there there were tubs to wash clothes; and there was a large reading room, I guess—I found out later it was the sleeping quarters. There was a shower.

Now, I came in town broke. That is the way I came in town, just like many other migratory workers; and here I came into the recreation center. I found tubs of water, but no soap. I decided I would have to get soap. They said soap was 5 cents a bar. The next job for me to do was to go out on the street and get it, and I luckily got a dime; and when I went back into the recreation hall and bought my soap, I went to the tub to wash my clothes and found nothing but cold water.

Another thing, I looked around for lockers. I am going to tell you just why I looked around for lockers. I saw one fellow standing over in the corner picking them off and throwing them down. You know what I mean. They were literally walking over him, and I didn't want to put my clothes next to that man's clothes. I wasn't going to wash my coat and I didn't want to hang it next to his; but I had to rub against him because the tubs were so close you were all rubbing shoulders. The tubs were absolutely slimy. You could take your hand and cut your initials in those galvanized iron tubs. You know what they are if you have ever washed clothes. They are bad enough when they are washed every time; but when you leave them without ever washing them, they are pretty bad. On the floor was a pool of water, spit, anything you wanted to find on that floor you could find it.

I made up my mind I was going to get cleaned up because I had to go into town to get something to eat. I took cold water and with this soap I absolutely—here I had come in with a shirt that was dirty but practically new; because whatever change we have when we get through harvest we try to buy a little clothes—I wore out the collar band and the cuffs of the shirt and it was a rag when I got through rubbing it.

Then I decided to take a shower; and that is one reason I was lucky I got a dime, because when I took off my clothes I had my wardrobe off. I found out the shower was 3 cents, donated to the working class, charity, 3 cents that I had to pay for the shower. I went in the shower and paid for it. The floor was so slick I almost slipped. There is no telling what I would have done if I had slipped because it is irregular. It is slimy, just like the tubs; but I did manage to get what you might call a shower bath. When I got out of it I had to wipe my feet on the towel because my feet were covered with slime from the floor. In the meantime, while I was taking the shower, with my shirt hanging on anything we could make a clothes line out of—when I came out I found it lying on the ground, just as dirty as it was. There is no way of drying our clothes except what we could scratch up around.

When I got through I decided I wouldn't sleep in that place, because, first of all, I didn't like the way the dust walked. I decided I would go up that night—I understood when I asked a policeman where you could get sleeping quarters outside of the recreation center, he told me I could sleep in the jail; so up to jail I went that night, and the guard there was very truthful when he said it was warm. There was a concrete floor with men lying there any kind of shape or form. They actually looked like they were tangled up, and I immediately moved in a corner. Not only were they lying there tangled up; but there was spit on the floor and all kinds of filth; and here were these

men I was supposed to come in there and sleep with, and I had just tried to clean myself up that day. And I find these men lying down on the floor and I am supposed to lie down with them, and I saw one turn over and catch him as he goes around his back. I see others reaching down and grabbing them at different places; and I crawled in a corner until morning and stood up; and I asked them to be kind enough to stay away from me because I had just boiled up with cold water. In the morning when they got up the guard opened the door and on this same floor where they sleep threw in a can holding bread and a pot of coffee. And here was one boy getting ready to slip on his pants and he was scratching himself in no particular part and all over; and he immediately reaches into the bread and grabs it, and the rest of them grab for it.

Now, then, we find that that is the kind of living conditions we find ourselves in, actually wrecking our bodies, too; as one man said this morning, when I asked him about it, whether he meant those men were to either starve or live on charity the rest of their lives. There are a lot of boys that started out healthy and lived in that condition for six months, and after that kind of life their body was wrecked; and if they were put back to work tomorrow it would take them six months to get in a condition to work.

That is the condition I found in your center; and that is the only reason that I can give, you will find these fellows running around and looking for work any place they can find it.

Questions by Commissioner Splivalo

Q. Your people are in Massachusetts?

A. Yes.

Q. Why didn't you move back with them?

A. My father was broke and there were personal reasons that I would rather not discuss.

Questions by Commissioner Cushing

Q. How long have you been in California now?

A. I have been in California—this is my second year. I was in Oakland once and I wound up here.

Q. You have been in agricultural work all the time?

A. Yes, except in Oakland I worked in the shipyards, and I worked on the Central Finance Building.

8. Story of Mrs. Hazel Hayes, Farm Worker, Sacramento.

Mrs. Hazel Hayes, 12th St., Auto Camp.

Questions by Commissioner Cushing

Q. How long have you been in Sacramento?

A. Seven months.

Q. What is your vocation?

A. I am speaking for the Unemployed Council.

Q. What kind of work do you do?

A. We are farm workers. We are in the fields or anything we can do. As a farm worker I find conditions on the farms are very bad in regard to living wages. I will tell my experiences in the spinach fields this spring. A Portuguese contracted the field from the farmer;

and he offered to pay us 4 cents a box for picking the spinach, and the boxes weighed from 65 to 70 pounds. He continued paying us 4 cents a box for a few days, and then we was told he would have to cut the wages to 2 cents a box; and when we protested against the cut he said we were lucky to get 2 cents. But we picked spinach for a few days at that rate, and the average at that wage was from 45 cents to 75 cents a day. You know we could not live and pay rent on that kind of wages. We lived in a 3-room shack with no lights and no water and no window panes. The relief given out by the charities¹ is not sufficient. I will give you a list of what we got from the charities.

Question by Commissioner Cushing

Q. Are you speaking for a family?

A. My husband and I and two children. This is four persons for a week. 10 lbs. of flour, 5 lbs. of sugar, 5 lbs. of potatoes, 2 cans of milk, beans, rice, 1 lb. lard, coffee, 2 cans tomatoes. Sometimes you are given all that, and sometimes you are not.

Question by Commissioner Splivalo

Q. How old are your children?

A. One will be seven this September and one is ten.

Now, when they give this relief out, sometimes they will give you the whole order and sometimes you will get part of it. If you ask for more they will say, "We will give what we want to." Last week my husband asked for relief because he couldn't find any work, and he was told to get out or they would call the sheriff; but any way they did not call the sheriff and he was given his relief but told never to come back again. And I don't know any other way only the unemployment insurance bill proposed by the Unemployed Council.

Questions by Commissioner Cushing

Q. Is that shack in the auto camp?

A. Yes, but they haven't been able to rent it because it has been condemned.

Q. How long have you been living in that shack?

A. I don't know exactly when we moved in there, along in February.

Q. Did your husband work in the spinach with you?

A. Yes, sir.

Q. You spoke of the amount you earned a day being 75 cents.

A. Between us.

Q. For a day's work?

A. Yes. The cannery would get all the spinach they would want and would stop us cutting spinach sometimes before noon, and not later than 2.30 in the afternoon we would be through.

Q. How did you get out to the spinach fields?

A. Rode out with neighbors working in the fields.

Q. You had to find your own transportation?

A. Yes, and we couldn't make enough hardly to get the gas to go.

¹In reply to the criticism of the charitable agencies contained in the testimony of Mrs. Hayes, see statement of C. M. Wollenberg, pp. 21-23.

Questions by Commissioner Splivalo

Q. Have you a car?

A. We have a car, not a very good one.

Q. Do you know any case in which the charities of Sacramento have done a good deed?

A. Well, I guess they have given out help and helped the poor in some ways; but I will tell you this much about it, they insult¹ you everything inhuman when you go up there and ask for aid. You are not talked to like humans. You are talked to like dogs.

Questions by Commissioner Cushing

Q. How long have you been in Sacramento?

A. Seven months.

Q. Where did you come from?

A. Illinois.

Questions by Commissioner Splivalo

Q. Did you receive charity in Illinois?

A. We never asked for charity before.

Q. This is your first experience?

A. Yes.

Q. You expected to find work out here?

A. Yes, and we are willing to work.

Q. What did your husband do in Illinois?

A. He worked in the mines and trucking and things like that.

Question by Commissioner Cushing

Q. You came out here hoping to better your condition?

A. Yes.

Question from the floor

Q. What rent do you pay for this shack?

A. We are not paying any rent. When we moved in there we were told the cabins were condemned and they could not rent them and we could move in there until we could get something better; but we were told a week or so ago we would have to get out or pay rent; but so far we are still living there; but they are in no fit condition to rent. There are no lights or water or window panes.

Questions by Commissioner French

Q. Were there any accommodations on the spinach ranch, board and lodging?

A. No.

Q. You had to provide everything?

A. We go out about 5 o'clock in the morning. Sometimes we would be out for two or three hours and sometimes be out there until noon or after.

Q. What did you do with the little children?

A. They go to school.

Question from the floor

Q. Do you feel you would be better off in Illinois?

A. Well, I do in a way, because we expected to find work and we thought that both of us could work.

¹ See note, p. 177.

Question by Commissioner Splivalo

Q. Have you people in Illinois?

A. My husband's folks live in Illinois.

Questions by Senator Inman

Q. Do you find many people coming to California looking for work?

A. Yes, lots of them.

Q. Coming right along?

A. Yes.

Q. Especially in the winter time?

A. Yes.

Q. Is it your experience they are still coming in quite large numbers?

A. I couldn't say, but I suppose they are.

9. Story of Jack Gullo, Unemployed Stone Mason, Sacramento.

Jack Gullo, Sacramento.

Questions by Commissioner Cushing

Q. Where do you live?

A. Right now I am down in the jungle across the river.

Q. Where did you come from?

A. Well, I come from Chicago.

Q. How long ago?

A. About 8 or 9 years.

Q. Where have you been in the meantime?

A. In Sacramento.

Q. So you live in Sacramento, then?

A. Yes, sir.

Q. What is your vocation?

A. I am a stone mason.

Q. Are you representing any organization?

A. No, I am a member of the Unemployed Council.

Q. What have you to tell us?

A. I have always been proud to be an American. I thought America was the greatest nation on the face of the earth. In 1905 I went to Europe. In Europe whenever they see Americans, they always tip their hat. I thought it was an honor. In Europe I see lots of people like the Americans today. Finally, a lot of fellows tell me, "Well, the American people some day are going to be in the jungle." I said, "It is impossible. We are the richest country in the world. It is very impossible." Well, finally, I find that I, even myself, with the trade I got, I am lying down in the jungle myself, and find, myself, that I have to beg sometimes for a living in a country that I put in a little better than 35 years of my life, worked in this country from the Atlantic Coast to the Pacific Coast, went in the army and fought for this country also; and still here I am, in the land of liberty, begging and sleeping down at the jungle. Not only me, I do not say only myself, but I can imagine there is perhaps 12,000,000 men.

Now, it seems to me that in the way I look on it as an honor, every nation should carry the honor. Every nation should be proud of her own honor. It seems to me we carry a whole lot of honor, but it seems to me we lost the honor.

Q. How long have you lived in the jungle?

A. Eight months.

Q. How long since you have had any work at your trade?

A. That gentleman sitting down there in the office can tell you—

Q. You tell us.

A. The last work I had was last September.

Q. That was work at your trade?

A. Yes. I worked just about two months at \$5 a day, \$1 for board. You can figure how much you have. I come in town, and by the time I buy myself this coat and this pair of pants and so on and so on, and I had a couple of months of good food and a couple of months of good room rent, and I have to go to the jungle because I have no money to have good room or good supper.

Q. Did you live in the jungle before this year?

A. No, sir.

Q. First time?

A. Yes, that is the first time. I have not seen very much hard time yet. When I was in New York my father had a hard time. Of course I was a kid then, but not hard time like this, but I kind of see that in this country a job does not matter, how many instruments the government, the State tried to use to liberate the system, there is no remedy whatever.

Q. You think you have to change it?

A. There is a remedy right in this country, a remedy, a solution to bring prosperity. There is prosperity right here if we just take it up.

Q. What is your solution?

A. The solution is \$25 per week.

Question by Commissioner Splivalo

Q. Where are we going to get it?

A. We have got one hundred billions in the United States. Our government of the United States could force them to get a long loan, 20 years or 30 years, or whatever the loan may be, give \$25 for every man out of work. The next 24 hours you will have the factories going, you will have the stores busy, the restaurants busy, you will have the courthouse busy, the taxpayers busy. That is prosperity. That is the only solution you have got in the United States. Outside of that I am sorry to say there is no solution. What can you do in these buildings, in the courthouse, this Capitol? It is done. The electric lights are done. You can paint it or remedy it a little bit, but it is done.

Questions by Commissioner Cushing

Q. You ought to get work that is not done.

A. There is work to be done if you get \$25 a week. We must back this right up. Every human being in the United States ought to back that right up. It is the only solution. They can bring the right measure. The lights are done, the streets are done, the city is done, the food is in the warehouse, and yet we starve to death.

Q. Where were you born?

A. I was born in New York City, and I went back to the Old Country in 1905, and stayed fifteen years, and when I went over I was very proud of America. When I see women barefoot carrying something I say, "America never going to do that. I am an American." But now I would be ashamed to go there and say I am an American.

Questions by Commissioner French

Q. Did you see anything like this in Europe?

A. I seen the same thing I see in the jungle.

Q. Over in Europe?

A. No, here in the United States.

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PART II—EXHIBITS

B. PAPERS SUBMITTED IN CONNECTION WITH HEARINGS

EXHIBIT 1. Paper by Anthony Pratt, Secretary, Municipal League of Los Angeles.

If a nation is to preserve its virility it can not dare to create a class of parasites either at the bottom or at the top of the social scale. For its own safety in peace as in war it must see to it that every man who is willing to work has a job, and that at a wage that will support life in decency according to its standards.

Demoralization and disintegration have already set in when any class of men, whether they be rich or poor, are permitted to take from society in any form that for which they do not give an equivalent in service.

There should be social planning whereby at all times every man who, for any reason at all, has lost his footing in private employment and who is willing to work, shall be given by the State a chance to do so.

Only as a last resort, if a man is unwilling to work for the State, should he be arrested for vagrancy and made, under restraint and conditions where society is safeguarded, to pay his own way with his own labor.

If a man can not work, society, in its organized form as government, should look after him.

We hold that in a wisely ordered society there is no place for private charity and no excuse for charity in dealing with men and women able and willing to perform a service.

Public works have, throughout history, been resorted to to take up labor surplus. The Mormon temples were built by such labor; the temple of Solomon, the great arterial highways of the ancients, the pyramids, the aqueducts, were without a doubt built by surplus labor that had resulted from military conquests.

There are today millions upon millions of dollars worth of government work in one form or another that should be under way to absorb the ten or more millions of our surplus labor at the present time—flood control work in the form of check dams, reforestation, the building, widening and shortening of highways, and the making of them more safe—work that would not add one item of products in competition with private business, but in the doing of which millions of dollars worth of the products of private industry would be absorbed, products that at the present time are a glut upon the market.

These projects should be at all times under way and expanded or contracted according to the labor surplus existing at the moment.

The wage paid for such labor should always be below that of like work in private industry so that no man would stay on at it longer than he must, but would be tempted by the higher wages of private employment to become more efficient so as to be in demand by private employers.

Such government employment should and would be the labor recruiting ground of private contractors, but since government work would always be available no man would be forced to work for private

contractors at wages or under conditions less favorable than a decent government would approve for its citizens and potential defenders in case of war.

This would tend inevitably to keep wages in private employment up and to maintain in private employers a due regard for the welfare and rights of their men.

Labor should be alert to approve such a program. It is inconceivable that unionized labor should be opposed to it, for it would reduce vastly the competition for jobs in private employment.

Now as to who shall pay the bill, we are particularly concerned lest in defraying the cost of these public works a method of taxation be employed that would only increase and prolong the unemployment problem.

This problem as we see it is largely the result of the unfair distribution of the products of labor and capital. Much of the reward that should have gone to both capital and labor has gone to special privilege in one form or another, not the least in the form of rents made high through community and not individual effort.

The entire costs of such improvements as we suggest for the absorption of labor surplus should be borne by those benefited. The benefits of such improvements are reflected only in higher land values. Houses, stores, office buildings, stock or goods, etc., are not made one penny more valuable to their owners by such improvements. In fact the value of these things is necessarily reduced by reason of the greater facility of commercial interchange made possible by improved highway systems. Homes, stores, stocks of goods and office buildings are made safer through flood control, and hence cheaper. Insurance rates fall and less expensive types of construction are necessary.

But on the other hand the land on which these safer structures are built is enhanced in value, and is the only thing enhanced in value, and an ad valorem tax on land should be imposed to defray the costs. That would be taxation according to benefits. It would tend greatly to prevent a parasitism, just as deadly as in the lower social strata, from increasing in the higher strata. Every man must, in a safe social order, be required to give an equivalent in service for what he takes out of society. No land holder should be permitted to benefit by making his neighbor pay, through taxation or otherwise, for improvements to his property—whether through a sales tax, a tax on his own earned income, or a tax on inheritance that was actually earned by the deceased.

Our plan, it seems to us, goes to the heart of the problem and we hope for its adoption before we have to pay in greater hardships, greater bitterness, and in possible revolution.

EXHIBIT 2. Report by John C. Austin, Chairman, Southern California Division, President's Organization for Unemployment Relief.

To the Honorable
California State Unemployment Commission,
705 Grant Building, San Francisco, California.
Gentlemen:

April 12, 1932.

As Chairman of the Southern California Division of the President's Organization for Unemployment Relief, it has been my duty to study the unemployment situation, particularly in southern California.

That investigation has forced me to the conclusion that, aside from attempting to take care of our unemployed on a day to day basis, the most important thing that can be done in California for unemployment relief is to recognize definitely the causes which have led to that unemployment, from those causes attempt to establish the probable future trends and to do our part in correcting the situation on a national, rather than on a State or community basis.

It is safe to say that for thirty years the mechanization of farms and industries have more and more tended towards technological unemployment until we have reached a point where today less than 25 per cent of our people are dependent upon the farm, less than 30 per cent on manufacturing and mechanical pursuits, while more than 45 per cent of our population has been forced to become merchants, servants, professional and office men, stenographers, etc.

Within the last year one-third of the employees in the cigar making industry were discharged, due to the creation of mechanical cigar making machines. Today one man can handle sixty-four looms in the cotton and woolen mills. We have one factory in Milwaukee stamping out, in practically one operation, most of the automobile frames for the automobiles in America. There are 800,000 less people on the farms today than ten years ago—yet the farms over produce.

This mechanization is not new. It began as soon as mechanical power, steam and electricity, began to take the place of man power.

Our panics of the '70s, of the '90s and of 1907 were all brought about by the over supply of labor. In the '70s the opening of the West gave us an outlet for that labor, in the '90s the era of railroad construction again gave us an outlet for our surplus man power; in 1907 the development of electrical industries and the beginnings of the automotive industry pointed the way. Behind the mailed fist of the Kaiser in 1914 was the need for an outlet for the manufacturing plants of Germany.

During the war women went into industry and a new labor market was tapped, but the world then required all of the labor that could be furnished and our people were kept busy under high wages. At the end of the war we had a short slump while the armies were being disbanded, but the world was short of everything and the returned soldier found a place for himself in aiding to fill those wants. At that time capital made an epochal mistake. Instead of paying its income tax, it dodged that tax by building a new wing on the factory and putting in more labor-saving devices, thereby increasing production.

Soon we had caught up with our own demands and turned to foreign trade, but England also caught up, Germany began to export, the other nations to cease buying. They, themselves, attempted to export, and up went the tariff walls throughout the world. If those tariff walls had not been put up, this country would have been flooded with cheap European products—because of the difference in the wage standard.

With the export avenue closed, we turned to installment selling to take care of our oversupply of goods and of farm products, but installment selling could only go on so long as the pay check was greater than the monthly installments. When the point of balance between income and expenses was reached, the increase in installment buying immediately ceased, and with it our house of cards tumbled.

That is the position in which we are today. There is just so much work in the world, just so much need for man power; and I am convinced that the only thing there is ahead of us, as a nation, is to evaluate the amount of labor which we have to offer in the United States, estimate the number of people there are who require that labor, and under a continuing audit, limit the hours of work that any employer of labor may assign to any man to a just proportion of the total amount of work available—each man employed to be paid upon the basis of his efficiency.

If we adopted that limitation in any one city, county or State, there would be such an influx of labor into that territory as to render the entire operation of no effect. Therefore, we must do this work on a national basis, under the protection of stringent immigration laws—this in order that we may have a known amount of labor with which to deal.

For this reason, the only really basic suggestion which I can make is that this Commission lay its findings before those Senators and Congressmen who will represent this State after the next general election, and send them to the next Congress united upon the theory that a limitation of hours of labor in the United States must be inaugurated, even if constitutional amendments are necessary in order that this may be done.

In support of this suggestion, and to show that a part of the United States Supreme Court, the highest authority in the land, is thinking along similar lines as to the rationed employment of capital. I quote from Poor's Analytical Digest of March 30, 1932:

"I can not believe that the framers of the 14th amendment, or the States which ratified it, intended to deprive us of the power to correct the evils of technological unemployment and excess productive capacity which have attended progress in the useful arts."—thus Justice Brandeis expressed his views and those of Justice Stone in the dissenting opinion (reported in United States Daily, March 23 and 24, 1932) in the appeal of The New State Ice Company of Oklahoma City against Ernest A. Liebman.

Briefly the case was this: The New State Ice Company secured a certificate of public convenience and necessity from the State and spent \$500,000 establishing its ice business; Mr. Liebman some time later, without asking the consent of anyone, started an ice business in the same territory. The established company brought suit, but Mr. Liebman contended that ice manufacture is not a public, but a private business, that he had a constitutional right to engage in a common calling, and that to make this right dependent upon the finding of public necessity deprived him of his constitutional prerogatives. All the courts upheld him—but the two Justices dissented. Justice Brandeis prefaced his arguments by a dissertation on the economic woes of today and the causes of them. The most important cause as he sees it, and he believes many others see it, is the maladjustment between production and distribution and the most distressing consequence, unemployment. Furthermore, he did not dissent because Mr. Liebman failed to ask the State's permission: he and Justice Stone dissented because they were convinced that some authoritative group, probably the body politic, should have the power to determine whether or not more capital should be vested in any given industry. Dissenting opinion or no, the gauntlet has been thrown down by the highest tribunal of the country. No one can deny the dissenters' contentions as to the causes of present day economic distress; no one can deny that failure to solve these problems will result in worse depressions in the future and will threaten the capitalistic system itself; no one can deny that individuals, corporations, and trade associations have up to the present time signally failed to eliminate overcapacity in industry; and no one can prove that the ill effects of a bureaucratic control of industry by the government or by industry itself would be less injurious than a system that

encourages overproduction and price wars and that can not eliminate depression or unemployment.

In the meantime, I will attempt to answer your questionnaire under its own headings, as follows:

I

What action, if any, should be taken to promote among employers of labor the practice of regularization of employment in order to do away, as much as possible, with so-called seasonal and other unemployment?

It is, of course, desirable for all employers of labor to attempt to avoid the peak of employment of extra help by so planning their work as to avoid irregularities wherever possible. Alterations in buildings, overhauling of machinery, stock manufacturies should be urged for dead periods. About the only action we see possible is to urge that this be done. Public buildings, etc., should be constructed where possible during depression periods.

II

Should the State make appropriations for emergency unemployment relief?

We do not believe that the State should make appropriations for emergency unemployment relief.

III

1. What should be done with respect to the disappearance of skilled occupations and to unemployment caused by labor-saving machinery, changes in the consumption habits of the public, and business mergers and consolidations?

Wherever possible, and within proper age limit, reeducation of labor should be attempted in trade schools of the type of the Frank Wiggins Trade School in Los Angeles.

2. How and to what extent can the State public employment agencies be strengthened to enable them to direct workers displaced by machinery to new or different occupations and industries?

The State public employment agencies should be tied into the United States employment agencies in order to take care of interstate work and to move labor from one State to another on a controlled basis.

3. To what extent can vocational reeducation effectively meet the problem of the displacement of trade skill?

Vocational reeducation can meet the displacement of trade skill only to the extent that reeducation is effective, and, to be effective, this reeducation must be carried on fast enough to permit the patient to live meanwhile.

4. What are the facts regarding arbitrary age limits in industry, and what can be done to aid those affected?

The arbitrary age limits in industry caused largely by the insurance policies as now written are causing great suffering. The insurance policy and pension fund should be looked at in order that men

be not forced out of industry because of the adoption of pension funds and insurance policies. There are cases where the directors of a company in good times have adopted the insurance policy with pension while later executives have discharged men before their pensions were due to keep from having to dip into the pension fund. Employees contributing to pension funds should be considered to have some sort of vested right in their jobs. It is possible that pension funds should be taken entirely away from the employer and placed in the hands of the State or Nation.

IV

1. Should the hours of labor of adults and minors be restricted with a view to bringing about greater employment opportunities?

The hours of labor of both adults and minors should be restricted with a view of bringing about a greater spread of employment opportunity. This restriction should be made under a continuing audit, this audit to be based upon the supply of work available and a study of the number of people desiring this work.

2. Should the policy of restricting the number of hours per day and the number of days per week apply only during periods of business depression, or should it be made a permanent policy?

This policy of restricting the number of hours per man per day to an equitable amount should apply at all times under a continuing audit. Such a plan would take care of the ebb and flow of business and the creation of permanency in labor would go far towards eliminating depressions.

V

Should legislation be enacted providing for the advance planning of public works and for the setting up of reserve funds for such public works to be used only in periods of business depression?

Legislation should be enacted providing for the planning of public works and for the setting up of reserve funds for such public works, and a planning board should be created.

VI

Should a system of compulsory unemployment compensation be adopted?

If an employment reserve and compensation should be created, the funds paid therein should be collected by forced deduction from all employees on all jobs of every type. All citizens should be registered and deductions should be made from all pay checks (employers of labor themselves being required to fix their own salaries and make deductions therefrom). It is not recommended that employers of labor should contribute directly any portion of this fund but that government should, and that this contribution should be created by special equitable tax upon all employers of labor.

(What we are trying to reach is a forced retirement and sick benefit pension system for every citizen—the funds to be taken away from both employer and employed for reasons of safety—the detail to be a matter of study of actuaries.)

VII

What provision, if any, should be made to enlarge the usefulness of the present system of State free employment offices?

The State and national employment agencies should be coordinated.

VIII

What other suggestions and proposals have you for meeting the present unemployment emergency or for combating possible similar emergencies in the future?

See the general statement at the beginning of this letter.

Yours very truly,

(Signed) JOHN C. AUSTIN,
Chairman.

EXHIBIT 3. Report on Five-Day Work Week by Employment Stabilization Bureau, Los Angeles County.

(Submitted by Harvey C. Fremming, Director)

Report on Five-Day Work Week or Prorated Employment, April 14, 1932

Number of replies to questionnaires received to date.....	2137
Number of firms <i>who have</i> established five-day work week.....	854
Number of firms <i>who have</i> established five-day work week, but give no accurate information as to numbers affected, new workers, etc.....	142
Number of firms <i>who have not</i> established five-day work week.....	642
Number of firms <i>who have not</i> established five-day work week because of one-man concern	231
Number of firms temporarily closed, or partially closed.....	268

Concerns Which Have Five-Day Work Week

Workers affected	70,665
New or retained workers who would otherwise have been laid off.....	14,212

EXHIBIT 4. Report From Social Agencies, Santa Barbara County, Signed by Aleta Brownlee, Executive Secretary, Welfare Commission.

(Presented by Miss Eva Hance, Los Angeles Council of Social Agencies)

Santa Barbara, California, April 15, 1932.

MEMORANDUM

A meeting composed of representatives of the Community Chest, Council of Social Agencies, Central Labor Council, Unemployment Relief Committee, Salvation Army and County Welfare Department, was held in Santa Barbara to consider questions submitted for consideration by the State Unemployment Commission.

Emergency Unemployment Relief was thought by this group to be the question which needed immediate consideration; although such preventive measures as unemployment insurance, labor exchanges, restriction of the hours of labor were thought essential for any constructive program.

It was brought out that there are 2800 registered unemployed in the active file of the employment office in Santa Barbara; that 666

needy families have been given relief work through the Unemployment Relief Committee. In addition, 170 single men with dependents have been provided employment in forestry camps in Santa Barbara County; that there are 567 Santa Barbara families dependent upon the county, of which number about half are dependent because of unemployment; that local private funds for unemployment to the extent of \$110,000 have been raised; that the expenditures of the County Welfare Department this year have increased 150 per cent over the fiscal year 1929-30.

While there is recognition by taxpayers of the need for relief, there is a feeling that the burden is unfairly placed on holders of small farms and homes. Taxes on many of these will be delinquent the coming year.

In consideration of these facts, the committee favored a program of emergency relief to be financed through State appropriation. This appropriation should be based upon local needs to be determined, so far as possible, through a census of unemployed and a study of the local tax situation. It was felt that such aid should be granted by the State to local governmental units, conforming to a standard set by the State departments concerned; and that the distribution of such aid should be solely upon the basis of need. This need should be determined in the usual manner recognized by social agencies.

It was thought that the best methods of furnishing employment relief are probably through works upon public property, such as roads, streets, school buildings, beaches, parks and institutions.

(Signed) ALETA BROWNLEE,
Executive Secretary, Welfare Commission,
Santa Barbara County.

EXHIBIT 5. Program of Unemployed Councils.

(Presented by William Session, Representing the Unemployed Councils of California)

April 14, 1932.

THE NATIONAL UNEMPLOYED COUNCILS' WORKERS UNEMPLOYMENT INSURANCE BILL FOR NATIONAL UNEMPLOYMENT RELIEF APPROVED BY THE LOS ANGELES UNEMPLOYED COUNCILS, TO BE SUBMITTED FOR APPROVAL TO GOVERNOR JAMES ROLPH'S UNEMPLOYMENT COMMISSION, IN SESSION IN LOS ANGELES ON APRIL 13TH AND 14TH AT PATRIOTIC HALL, 1816 FIGUEROA STREET.

WHEREAS: There are 12,000,000 totally unemployed workers and at least 10,000,000 workers working only part time in the United States and the industrial crises gets deeper from month to month, with the employers throwing more and more workers out of a job to starve, and

WHEREAS: The relief policies of the Government, local, State and national, leaving to each community the care of its own unemployed by means of charity collections, have failed totally to relieve the famished conditions of the workers and their families, and

WHEREAS: This devastating situation demands the immediate establishment of National Government Unemployment Insurance as the only means to ward off wholesale starvation of the workers and their families, and

WHEREAS: To accomplish this it is imperative that each and every worker speaks their real opinion on this life and death question, therefore, be it

Resolved: That the Unemployed Councils of Los Angeles register their disagreement with the present inadequate system of relief, that has allowed thousands of workers and their families to be evicted from their homes to live in the streets, and city dumps, thousands to starve in the soup lines, and many hundreds driven to crime and suicide in their desperation, that we go on record in favor of a NATIONAL WORKERS UNEMPLOYMENT INSURANCE BILL proposed by the NATIONAL UNEMPLOYED COUNCILS; the bill reads as follows:

Immediate unemployment insurance at full wages (on the basis of the yearly average)—That a system of Federal government unemployment insurance be immediately established by an Act of Congress and made immediately effective, guaranteeing full wages to all workers wholly or partly unemployed through no fault of their own, for the entire period of unemployment (since the so-called high wages of the American workers is only a myth, their wages were only about \$20 a week at the height of prosperity.)

For all workers, no discrimination—That unemployment insurance be paid to every unemployed worker, adult and youth, whether industrial or agricultural, office employees and all other categories of wage labor, native or foreign born, citizen or noncitizen, white or negro, men and women, and without discrimination against any race, color, age or political opinion. No worker shall be deprived of unemployment insurance because of refusal to take the place of strikers or to work for less than union rates of pay.

Insurance at the expense of the employers and the government—That the full funds for unemployment insurance shall be raised by the government from funds now set aside for war preparations and by taxation upon the capital and profits of corporations and trusts and also by sharply upward taxation upon all incomes over \$5,000 a year. In no instance shall there be any contributions levied upon the workers in any form whatsoever for this insurance.

Administration by the workers—That the unemployment insurance fund shall be administered and controlled by the workers, through committees elected by the workers themselves.

For other forms of social insurance—That social insurance be paid to workers to the amount of full wages to compensate for loss of wages through sickness, accident, old age, maternity, etc.

April 14, 1932.

PLAN FOR UNEMPLOYMENT RELIEF, ADOPTED BY THE MEMBERS AND SUPPORTERS OF THE LOS ANGELES UNEMPLOYED COUNCILS, PRESENTED FOR APPROVAL TO GOVERNOR JAMES ROLPH'S UNEMPLOYMENT COMMISSION, IN SESSION IN LOS ANGELES ON APRIL 13TH AND 14TH, AT PATRIOTIC HALL, 1816 FIGUEROA STREET.

WHEREAS: In Los Angeles there are over 200,000 totally unemployed, 200,000 employed part time, most of the part time workers getting only skimpy meals or a small box of groceries in return for their labor, and

WHEREAS: The American Federation of Labor reports 30 per cent of the workers in all trades totally unemployed, building trades alone 53 per cent totally unemployed, an increase of six per cent since February, 1932—with 20 per cent of the workers working part time as an organized minority in the A. F. of L. it indicates that the percentage of unorganized workers is at least 50 per cent unemployed, and

WHEREAS: The city, county, and private relief agencies being unable to cope with the situation, thousands of workers and their families are starving, young workers turning to petty crime and filling the jails; young girls and mothers forced to prostitution, and many workers in desperation turning to suicide, therefore, be it

Resolved: That the UNEMPLOYED COUNCILS go on record in favor of the following plan for unemployment relief, pending the enactment of a NATIONAL WORKERS UNEMPLOYMENT INSURANCE BILL by Congress:

1. That a \$25,000,000 Unemployment Relief Fund be created by the city and county government, for unemployment relief, in the following manner:

(a) All interest to be paid on city and county bonds to be defaulted and the money turned over to the Relief Fund.

(b) All salaries of city and county officials to be cut to \$3,000 a year and difference to go to the Relief Fund.

(c) The police budget to be cut 50 per cent, the cut to go to the Relief Fund.

(d) The remainder of the Relief Fund to be raised by a sharp tax on all profits of industries, corporations, and persons whose incomes are \$5,000 a year or more.

2. All city and county work to pay union wages, including relief jobs, minimum of \$4 a day. Full week's pay for 5 days' work for city and county employees.

3. The Relief Fund to be administered and controlled by workers through committees elected by the workers themselves.

4. Free lunches, and carfare for the children of the unemployed.

5. Free rent, gas, lights, and water for all unemployed workers to be paid by the city and county.

6. Free medical and hospital service for unemployed workers, at the expense of city and county government.

7. No eviction of unemployed workers and their families for non-payment of rent or because of foreclosure of mortgage.

8. No discrimination against youth, women, single men, negroes, Mexicans, foreign born, or migratory workers in giving relief. Equal relief for all workers in Los Angeles.

EXHIBIT 6. Letter From the Los Angeles Chamber of Commerce.

(Signed by A. G. Arnoll, Secretary and General Manager)

April 15, 1932.

California State Unemployment Commission,
Patriotic Hall,
1816 South Figueroa,
Los Angeles.

Gentlemen:

The Los Angeles Chamber of Commerce, through its Manufacturing and Industries Committee and its Board of Directors, has been giving very earnest consideration to the work of your Honorable Commission, and particularly to the questionnaire which you recently submitted as a basis for discussion of the important matters before you, and we would like to file with your Honorable Commission this statement, as being the present viewpoint of the Los Angeles Chamber of Commerce, concerning the various problems under consideration by you.

Employment Stabilization.

During the present emergency the Los Angeles Chamber of Commerce has frequently and consistently urged all employers to so arrange and spread their employment possibilities that the maximum number of persons may be given employment. The recommendation has also been made that employers, whenever possible, give their employees assurance as to the continuation of steady work. The Chamber of Commerce recognizes, however, that certain industries, on account of irregular supplies of raw materials or otherwise, are obliged to operate on a seasonal basis. It is of the opinion that this factor can not be modified by regulation.

The Los Angeles Chamber of Commerce has persistently pursued a policy of closer cooperation between the retailers and the local manufacturers in the interest of stabilization of local employment.

Emergency Unemployment Relief.

The Los Angeles Chamber of Commerce is definitely convinced that the burden of providing for indigent resident unemployed is distinctly a local problem for each community. With respect to these transient indigent unemployed, the Chamber of Commerce is on record to the effect that the State, through the establishment of work camps, should in a large part relieve the individual communities of the burden of providing for these transients.

Technological Unemployment, Occupational Changes, and Age Limits in Industry.

From the first developments of labor-saving devices on down through history, the claim has frequently been made that devices of this character were certain to result in a condition of general unemployment. There has, however, been nothing to substantiate this claim, as with each improvement in production methods or operating practices workmen displaced in one field have been adapted to employment in others. We are of the opinion that similar procedures will take place upon the return of the world to a normal condition. We are further of the opinion that any retrograde movement or restriction of industrial advancement will be most unwise. With respect to arbitrary age limits, the Chamber of Commerce policy of long standing is to the effect that training and ability should be the factors of employment rather than age.

Regulation of Hours of Labor.

The policy of the Los Angeles Chamber of Commerce is definitely against any new legislation restricting hours of labor at this time. This organization has supported consistently the Minimum Wage Law for Women in the State of California, and is likewise a consistent supporter of the closest supervision over hours of labor and working conditions for minors.

The Chamber of Commerce has made the following recommendation with regard to the five-day or forty-hour week, in the belief that employers themselves, in the various trade classifications, should be

permitted to determine the extent of working hours as an element of economic readjustment, on the same basis that similar problems have been solved in the past:

Consideration of this matter by the Los Angeles Chamber of Commerce has been definitely confined to its status as an emergency relief measure and does not in any way constitute a pronouncement on permanent policy.

The Board of Directors of the Los Angeles Chamber of Commerce seriously recommends to our business interests the adoption of an employment policy favoring a standard five-day or forty-hour week during the present emergency, based on the maintenance of the per hour or per diem rates of pay at their present levels and applied to the shortened working period.

Manufacturing establishments whose volume of business does not justify a full forty-hour week are urged to retain their normal working forces for such number of days or hours as they are able to operate.

The object of the recommendation is to establish maximum standards of work permitting the spreading of employment to the greatest number of people, consistent with economical operations, for the mutual benefit of employee and employer.

Operations on the part of large employers, extending over several years, have demonstrated the practicability of this plan in the average industry and business organization.

It is understood that certain public utilities, as well as many mercantile and industrial organizations, from the nature of their operations, can not put this plan into operation, but it is believed that it can be applied with benefit to the great majority.

Public Works.

The Los Angeles Chamber of Commerce is of the belief that public works and construction should be increased during times of business depression, and suggests the propriety of the Federal government, and possibly the States themselves, building up, during normal times, a reserve fund wholly for this purpose. It goes without saying that such funds in adequate amounts can not be appropriated during times of business depression when the need for tax reduction is desirable. Therefore, they should, in our opinion, be developed as above suggested, to be available only in times of national business depression and set up and controlled free of political manipulation. We feel the machinery for this set-up is now available in the various governmental departments.

Unemployment Reserves and Compensation.

The Los Angeles Chamber of Commerce is of the opinion that unemployment reserves, compensation and matters of this character should be worked out by employers and employees rather than by legislation. We are of the opinion that employers in general recognize the importance of this subject and are giving it the careful consideration that it deserves.

Employment Offices.

The Los Angeles Chamber of Commerce can see no reason for expanding the services so excellently performed by the State free employment offices at this time.

Other Suggestions.

The Chamber of Commerce is strongly of the opinion that legislation based upon viewpoints developed during the present emergency should be discouraged pending the return of more stable conditions.

The Chamber of Commerce also believes that Federal government agencies, particularly the Department of Commerce, can be of material assistance in guiding the expansion and productive activities of our great industrial groups through cooperative research and market surveys for those groups. Such a program, consistently followed, would develop much information that would be highly useful in a determination beforehand of economic events in our own country as well as in the world at large, and serve in our estimation to stabilize our business picture. This should, in our belief, be strictly a cooperative movement as between the various industrial groups and classifications and the proper governmental agencies.

Trusting that this statement may be of some value in your consideration of this matter, we are

Very truly yours,

LOS ANGELES CHAMBER OF COMMERCE.

(Signed) A. G. Arnoll,
Secretary and General Manager.

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Wm. A. Simpson, First Vice President
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Gen. Walter P. Story	

Arthur G. Arnoll
Secretary and General Manager

F. L. S. Harman
Assistant Secretary

EXHIBIT 7. Letter from Tri-Counties Reforestation Committee of California.

(Signed by Francis Cuttle, Chairman)

Riverside, California, April 14, 1932.

Mr. Will J. French, and Members of the
State Unemployment Commission,
1816 South Figueroa Street,
Los Angeles, California.

Dear Sirs:

Availing ourselves of the opportunity of presenting data with reference to unemployment and its relief, we are herewith enclosing twelve copies of a folder embodying the views of this organization.

We note from a clipping appearing in the San Francisco Chronicle of Tuesday, March 22, 1932, that it is stated in part:

With the closing of the camps, California will have completed a new experiment in unemployment relief. Many people believe the system would have been the one practical method of solving serious problems for caring for transient indigents. Thousands of men have been well cared for at low cost, and at the same time have been doing work of great benefit to the State. **CRIME HAS BEEN REDUCED IN DIRECT PROPORTION TO THE NUMBER OF MEN SENT TO THE CAMPS.**

If any diminution in crimes has been noted, it is an amazing recommendation for this system of caring for unemployed, as you know there were only 2500 men employed in these camps at the maximum, while there were 475,000 (these figures were given the writer by Governor Rolph) unemployed in the State at the time these camps were in operation. If so small a percentage of relief actually has an effect on reducing crime, what would be the results were they all given an opportunity to earn a livelihood, and what an immense amount of valuable work would be accomplished.

Regretting that we can not have a representative present in person, we trust that the means suggested in the folder may have your attention.

Very truly yours,

TRI-COUNTIES REFORESTATION COMMITTEE.

(Signed) Francis Cuttle, Chairman.

Francis Cuttle, Chairman
G. W. Sherwood,
Recording Secretary

W. B. Clancy, Treasurer
C. J. Kettering,
Corresponding Secretary

Executive Committee

E. O. Rickard

W. W. Hoy

Wm. Starke

Finance Committee

Wm. Schumacher

Herbert H. Garstin,

Chairman, Board of
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Statistics and Information

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Geo. S. Hinckley

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Riverside County

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A. S. Holden

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Joy G. Jameson

Chairman, Board of

Supervisors

E. L. Williamson

Frank F. Chase

D. D. Skelley,

Mayor of Riverside

Orange County

H. C. Head,
Chairman

John Dunstan

G. W. Sherwood

A. N. Saxton

W. W. Hoy

A. G. Miller

J. Mitchell

A. Pierotti

J. J. Dwyer

J. C. Tuffree

Wm. Schumacher

C. A. Palmer

EXHIBIT 8. Paper Submitted by Arthur G. Coons, Professor of Economics, Occidental College, Los Angeles.

Stabilization of Employment.

1. The first important move should be the establishment by law of a State Economic Council, advisory in character, with power to recommend to the Legislature, hold public hearings, call witnesses, looking to the recommendation to industries also as to (1) volume and character of production, (2) methods of marketing and financing, (3) interchange of trade information. This council could accomplish a great deal in promoting voluntary conference of the producers of each industry among themselves in the presence of council representatives. Such a council possesses the possibility of developing on a larger scale what has been accomplished in a private way by the State Chamber of Commerce, and could ultimately build up a comprehensive program of research, of statistical information. A cooperative direction and suggested coordination of the efforts of college and university research staffs in economics, finance, marketing and business administration, particularly as concerns management methods, would be possible.

2. The Unemployment Commission could appoint, if it has not already done so, a subcommittee to confer with every governmental agency in the State looking to a dovetailing of public works, with *State subsidization*, not to exceed a minimum percentage of total cost, where deferred action is recommended and it can be reasonably shown that a loss would be entailed by such governmental unit.

3. The Legislature should provide for the registration of all casual labor, and by law it should be required that any employer of more than a minimum of say ten laborers of the casual type (to be defined) would be required to report such need to an agency set up by the California Unemployment Commission, and the number thereof not already hired from the immediate community, on or before a definite date at the opening of the harvest season or on or before the need therefor during the year in an industry. The agency of the Commission could organize the casual labor into units making possible the shift of labor from one area of need to another as the year progressed. The sug-

gestion made above should be considered also in the light of other recommendations below.

4. A voluntary conference should be sought upon the part of all railroads, [and] public utilities to plan construction work for the coming year and subsequently. This would require the revelation of such plans only as to general location of work, number of laborers, approximate cost and imperative character of such work. Most utility concerns have their equipment engineering plans tentatively prepared for several years. Such a conference could be called by the California State Chamber of Commerce if not desirable to have a governmental agency do so.

5. The California Chamber of Commerce, or some appropriate governmental agency, should provide complete information to all commercial agents and agencies, apart from California, private or public, as to the products of California agriculture and industry, if possible securing wider support from important industries for price concessions for purchases in off-peak periods. This might work for the ultimate regularization of output and labor utilization and ultimately for a uniform price structure.

Emergency Unemployment Relief.

1. The registration of all unemployed required by law.
2. State public employment agencies strengthened by *taxing out of existence* the profits of private exchanges.
3. The principle of unmarried unemployed subject to shift through labor exchanges, and married persons after six months.
4. The State should make appropriations for unemployment relief. This should be handled directly by the State, but in cooperation with municipal agencies. No person should receive aid from more than one source to an excess of \$7 per week (or some figure to be set by careful inspection), the State making up only the difference where part supplied locally, but not preventing local agencies, private or public, to assist. The variations could be based on dependents, etc. All persons to be eligible for State aid to be registered as unemployed and willing to work in several listed occupations as qualified.
5. The unemployment relief of the State should be administered first through State projects of public work. Suggested needs are as follows: (1) reforestation, (2) clearing of firebreaks, (3) reclamation of public beaches, (4) development of public parks, (5) highway development, (6) elimination of grade crossings with the principle of joint payment of costs by State and railroads, the larger portion to be borne by the State where involving more than a minimum figure.

6. Full cooperation between the Unemployment Commission and employment exchanges. There should be no registration fee for an exchange, a percentage of wages after a period of work should go to the State, paid directly by employer. A complete survey of labor needs should be made and by law all employers required to report employment and needs on a regular basis.

7. The Unemployment Commission should prepare a plan for legislative action calling for establishment of unemployment insurance from 1933 on, to be administered from a State fund built up by contributions from the State, the employers and the employees, providing

for benefits not to exceed \$10 per week and \$2 per week extra for each dependent. The burden of this should fall upon these three groups as follows: State 5/10, employer 3/10, employee 2/10, with the understanding that all deficiencies shall be made up by the State but in accordance with the principle that such payments shall be made only to unemployed who are willing to work and who have contributed to the fund during definite periods of employment. Otherwise relief should be on a lower per week basis. This plan in point of time could become self sustaining, although it is admitted that applicable actuarial material on unemployment is limited.

8. Old age security program of State could be changed increasing subvention from \$30 to \$40 per month and dropping age from 70 to 65.

9. A State Welfare Department could be organized to coordinate all relief activities.

Technological Unemployment, etc.

1. The State should establish a State Bureau of Industrial Training to develop a program of vocational reeducation. Such a department could be more accurately informed of needs and develop a program. All unemployed persons would be eligible for such training during periods of unemployment and, following a definite course of study with proficiency and certificate therefor, should be entitled to receive, continuing unemployed, \$10 per week as an unemployment relief aid. Such programs would almost necessarily be urban in location.

2. Later, such a bureau might develop a program of industrial training on a more extensive basis, cooperating with individual concerns which might desire to establish an organized educational program for their own workers, the cost to be paid in large part by the industries themselves.

3. Such a department could influence the character of training as developing in high schools and junior colleges. (The Junior College in Los Angeles has made great strides in certain types of vocational training.)

4. Continued conference with industrial managers would operate to educate management itself, requiring clearer knowledge of technology, job specifications, occupational needs and analysis.

5. Subsidization of old workers. The State should reward the employers of all laborers over 45 years hired by a percentage subsidization of the payroll of such labor over 45.

6. The Bureau of Training could extend its activities to minors.

EXHIBIT 9. Statement From the San Diego Federated Trades and Labor Council.

(Submitted by E. H. Dwell, Secretary)

SUGGESTIONS TO MEET UNEMPLOYMENT SITUATION

MADE TO

THE STATE UNEMPLOYMENT COMMISSION OF CALIFORNIA

SAN DIEGO, APRIL 16, 1932

Gentlemen:

First we must admit that the greatest emergency that ever confronted the civilized world is challenging us today and to hesitate,

while we quibble about raising revenue and balancing budgets, is to admit that we have failed in the first purpose of civil government—the care of and protection of all the citizens of the commonwealth.

More than twelve months have passed since the Legislature adjourned and many of the projects designed to alleviate unemployment, and for which appropriations were made, have not yet been started. And had they all been put in motion we now know how totally inadequate the program was. No one with the slightest comprehension of the real condition of suffering and mental torture now being endured by more than fifty thousand competent, skilled mechanics and clerical workers, unskilled laborers and general business employees can be blind to the crying need for the immediate calling of a special session of the Legislature to provide ways and means for the prompt relief of our people. Failure to do this must brand us as either cowards, afraid to face the task, or as weaklings childishly hugging to our breasts some mystic voodoo charm while we await the avalanche that slowly, but with steadily increasing rapidity, advances to our destruction.

Special Session of the Legislature. [This is] to make emergency appropriations available and to provide remunerative employment for our unemployed. It will be too late when the next session of the Legislature convenes. Winter will be upon us and spring will have left next winter's toll of suffering and want before the Legislature, in regular session, can provide the necessary relief. Our municipalities and counties, charitable and welfare agencies can not much longer bear the burden placed upon them, much less carry on through another winter.

This emergency work should be noncompetitive. There is sufficient work to be done in reforesting our denuded areas, developing our State parks, providing connecting parkways, clearing underbrush, dredging our estuaries, providing flood control works and building conservation works to create sufficient stimulus to revive mercantile industry and provide employment for office and store workers.

Shorter Work Day and Week. Abraham Lincoln said, "So long as there is one man willing to work, but unable to find employment, the hours of labor are too long." The time has come when the six-hour day and five-day week must be established, without reduction in weekly wage, for all employees of the State and its subdivisions, and on all work paid for out of public funds, whether done by contract or otherwise, and for the maintenance thereof.

Child Labor. The responsibility for a family's support should never rest on the shoulders of a child. Yet there is no question that children are taking the jobs of older workers. Specific instances are to be found in reports to the Department of Labor and Industry showing that girls of sixteen have replaced older women at much lower wages and that young boys replaced men at greatly lowered pay. California demands the complete abolition of child labor and the proper schooling of our youth.

Home Building. We urge the appropriation by the State of \$20,000,000 to be loaned to all citizen home builders on the same terms and under the same conditions now granted the veterans and ex-service men, except that the right of taxation shall be reserved to the counties and municipalities.

Retirement Pensions and Unemployment Insurance. Retirement pensions have now become a necessity if a place in the world is to be made for our young manhood and womanhood. What to do with the young people leaving school and college is a problem that throbs with menacing disaster.

Provision should be made to retire all workers who have been gainfully employed for a period of twenty years upon an endowment plan that shall provide for the support of the retired worker and thereby provide youth with its right to employment at a gainful wage. Funds for this purpose to be provided:

1. By taxes on incomes over \$5,000 per year.
2. By inheritance taxes.
3. By contributions from counties and municipalities which will be relieved of the care of a large number of cases now burdening them.
4. By a per capita tax upon the employer to be paid upon the number of men displaced by technological changes in industry, commerce and husbandry.
5. A like amount to be paid by each worker while gainfully employed during his employment period but not to exceed twenty years.

Upon reaching the retirement age the endowed worker may receive training in the cultural arts and employ himself in their development, but not for gain nor in competition with the gainfully employed.

Unemployment Insurance. The employer should bear the same responsibility to the unemployed or seasonable worker as he now does toward his plant, machinery and live stock during "shut down" periods. Therefore we believe the State should demand that the employer set aside and deposit with the designated authorities of the State a sufficient amount to cover the maintenance of his employees during periods of unemployment and he shall further guarantee the payment of the retirement pensions of all his employees during such "shut down" periods.

Long Range Planning. A public works planning commission, to consist of representatives of state-wide welfare agencies, union labor, State parks associations, engineering societies [should be established]. These should select such others as further needs suggest and all should be confirmed by the Governor. This commission should start immediately on a state-wide plan of major public improvements and should prepare the necessary plans and specifications and method of financing same. These plans should be filed and ready to meet future emergencies without delay.

Establishment of Proper Fact Finding Agencies. It is most important and absolutely necessary that properly financed fact finding agencies be established that have as their first object the preservation of human life and well being, instead of merely attempting to save materials, motion and money, to deal with conditions of modern practices and relieve suffering resulting from technological changes, seasonable unemployment, etc.; also to provide a program for vocational retraining, etc.

State Should Request Federal Aid. As soon as convened the State Legislature should request the Federal government to appropriate at least \$350,000,000 a year, during this emergency, for the

immediate relief of those out of work without imposing the pauper test. Distribution should be through welfare agencies, labor unions and other established organizations and be apportioned to match State appropriations.

A Federal Bond Issue. California should join with other progressive States in urging a Federal bond issue of five billions of dollars, to be amortized by higher income and inheritance taxes in the higher brackets, for useful public works, such as the abolition of grade crossings, bridge and highway construction, reforestation, clearing our forest reserve areas, cutting trails and firebreaks, public parks, etc., the building of homes to eliminate the slums in which so many of our people are now forced to live, etc., etc.

We are confronted with a war against starvation and revolution and our one thought should be to win that war instead of worrying about the tax we may place upon our millionaires. If this relief is not soon forthcoming we may not have any millionaires to worry about.

Make States Liable for Their Citizens. We suggest that the Legislature of this State unite with the legislatures of the other semi-tropical States in calling upon Congress to enact such laws as will make all States liable for their citizens who become indigents and a burden upon other commonwealths within the period of one year after leaving the confines of their home State. Such legislation has become necessary in order to relieve California and other semi-tropical States of the excessive burden placed upon our charities by our climatic superiority.

SAN DIEGO FEDERATED TRADES AND LABOR COUNCIL.

(Signed) E. H. Dowell, Secretary, Chairman,
(Signed) C. E. Battey, Typographical Union,
(Signed) B. G. Thomas, Iron Workers Union,
(Signed) W. R. Hale, Meat Cutters Union,
(Signed) Carl M. Barnes, Carpenters 1296,

Committee.

EXHIBIT 10. Paper From the San Diego Branch, President's Unemployment Stabilization Organization.

(Submitted by John L. Bacon, Chairman)

PRESIDENT'S EMERGENCY ORGANIZATION
SAN DIEGO BRANCH

April 15, 1932.

Presented by John L. Bacon, San Diego Branch,
President's Unemployment Stabilization Organization.

Memorandum regarding suggested measures to be taken to relieve unemployment.

To the California State Unemployment Commission:

General. The following suggestions are made in connection with the general unemployment relief. The subject matter treated below was taken up and discussed at a meeting of the San Diego branch of the President's Unemployment Stabilization Organization and while the actual text as given below was not submitted the subject matter was discussed and generally accepted.

There appears to be two phases of the question:

(a) Steps to be taken to relieve acute local conditions, or what might be termed actual immediate relief measures, and

(b) Action looking toward correcting basic conditions causing unemployment.

Many phases of the situation will of necessity have to be treated from a nation-wide standpoint. A well worked out plan for a local restricted area might have the effect of so stabilizing employment in that area for the normal number of employed as to cause an influx into that particular location from other areas where the unemployed situation was less successfully handled. A carefully worked out uniform plan nation-wide in scope would be necessary if this phase is to be successfully met.

Emergency Unemployment Relief. The following general policy for local unemployment relief is suggested:

A general survey in each locality should be made to determine and list various projects that would be of benefit to the community and the State, but which would not be undertaken under normal conditions through the regular employment of labor. These surveys should be made preferably by already existing agencies, such as city and county engineers, boards of supervisors, etc., to determine and list public work that would not be done under ordinary conditions. This work should be planned and listed ahead, in order to be available at all times, and open for the employment of anyone who is unemployed. Care should be taken and the projects carefully investigated in order to be certain that none of the projects contemplated would be work on which men would be employed under normal conditions, or that would be undertaken if regular wages were paid. This should be very carefully done to make certain that it would in no way conflict or compete with normal employment. In other words, these jobs should be ones which would not be done if normal wages had to be paid.

Such work as clearing mountain trails, cleaning up river fronts, opening up forest reserve trails, etc.

Such work could be used in the nature of unemployment insurance. It is suggested that wages to be paid for such work be approximately one-half of those ordinarily paid in regular employment, say, at this time, \$2 or \$2.50 per day.

Anyone receiving this wage would be expected to work and not simply loaf. With a low wage like this there would be no incentive for anyone to hang onto the job, yet work would be available for anyone wishing it. Much of this work would be used in lieu of the ordinary county relief. It seems sound to assume that no able bodied man should be given county relief who is unwilling to work, but work should always be provided where relief is needed.

One of the serious situations confronting California arises from the fact that during times of depression we not only have our normal share of unemployed to take care of but the attractive climate of California draws thousands of drifters and "tin can" tourists who head toward California as a pleasant place to spend the winter. Many of this latter class do not want to work and prefer to "pan-handle" using the excuse that no work is available.

Funds for such work as outlined above might be provided 50 per cent by the State and matched by an equal amount from the county in which the work is done.

Experience has proved that where work of this character is always available, or where work is required before relief is given, that the drain on relief funds is very materially reduced.

Greater Spread of Employment. One of the problems which must be faced arises from the fact that the introduction of machinery has so greatly increased the worker's daily production, that the time seems to have come when there must be a reduction in the working hours. Seemingly the only effective way of doing this is by legislation.

As unemployment develops, competition for jobs becomes keener and there is an ever increasing tendency on the part of some employers to use these conditions to greatly reduce wages and at the same time increase the number of working hours, aggravating the situation still further. We have situations in San Diego where men are working 10, 12, and in some cases 14 hours per day. This has been brought about through competition within various lines of activity. The employer who is willing to maintain the working hours of his employees on a reasonable basis, faces the unfair competition of his neighbor who is unwilling to do so. If State or national legislation could be adopted limiting the number of hours that an employee could work for his employer it would seem that the unemployment situation would be greatly relieved.

If a six-hour working day were adopted throughout the country it would probably greatly relieve, if not almost entirely eliminate, much of the unemployment. The hourly rate prevailing now could probably be maintained and the resultant spread of employment help to equalize conditions.

Legislation would have to be carefully framed in order to take care of certain seasonable conditions in agriculture and possibly other occupations. Exception would probably have to be made also for those working on monthly basis in supervising positions.

Of course the number of hours which a man himself might work in his own business could hardly be limited, but the number of hours which he could employ another person at that job would be limited, and to a certain extent this would be advantageous as giving a slight advantage to the one-man business in competition with large organizations.

Extreme care would have to be taken in framing legislation in order to prevent employers attempting to evade the restrictions on working hours by putting work on a sub-contract basis and employing a large number of persons on the same kind of work by contracting with each individual in place of giving direct employment.

To bring into effect the above suggestion it would seem that there should be State legislation limiting the number of hours. Efforts should also be made to have this limitation made nation wide, if possible, by Federal legislation.

Fair Distribution of Labor Benefits. We must recognize the fact that there must be a fairer distribution of benefits coming from labor and a better stabilization of employment. Looking toward this end

it is suggested that steps be taken to bring into being Federal legislation which will limit the earnings of corporations.

It is suggested that this legislation look toward the limiting of the earnings of corporations to an actual percentage on the amount of capital *actually paid in*, that is, the earnings of any corporation would be automatically limited to a percentage on the cash invested.

All excess earnings over such predetermined percentage should be either redistributed to the employees of such corporation or used by the government for stabilization of employment.

Adoption of such legislation as this would prevent the inflation of stock values and automatically control earnings of corporations to a fair return on the actual cash invested. Legislation of this sort would have to be nation-wide in scope. The adoption of such a measure by one State or locality would have the effect of driving capital into other states where conditions permitting excess earnings and stock inflation were better.

Suggested Legislation. As there seems to be a possibility that a special session of the Legislature will be called it is suggested that steps be taken to have included in the call for such special legislation the proposition to consider legislation for the limitation of the number of working hours per day in California.

It is believed that if immediate legislation could be passed limiting the working hours per day to six, making exceptions if necessary for certain occupations such as agriculture, etc., this should have the immediate effect of greatly relieving the present unemployment situation. It is assumed that the hourly wage would continue the same as at present.

Respectfully submitted.

(Signed) JOHN L. BACON,
Chairman, San Diego Branch, President's
Unemployment Stabilization Organi-
zation.

EXHIBIT 11. Program for State Care of Nonresident Men in California.

(Submitted by S. R. Black, Chairman, State Labor Camps Committee)

Governor James Rolph's program for taking care of nonresident indigent men this past winter in State labor camps has worked out very satisfactorily. During the peak of the winter 3200 men were housed, fed and clothed in the State labor camps at State expense. The men were physically and mentally in good condition when the camps closed this spring, and were generally very well satisfied by the provisions made for their care during the winter. Crime in the State was reduced by reason of the camps. The project was carried on at a very low cost per man per day. The men in camp did more than sufficient work of real benefit to the State of California to pay for the State money expended. Communities located near the camps were well satisfied by the work done in the camps, and by the behavior of the men. Communities from which men were sent to camp have expressed their approval of the camp program. By assuming a responsibility for the care of nonresident men, the State conserved county and city relief funds for the relief of families and local residents for which their funds were raised.

Since the Governor's labor camp project operated so successfully this past winter, I recommend that similar camps be established next winter. Believing that there will be more men requiring care this next winter than this past winter, and believing that local relief funds will hardly be sufficient to take care of local resident relief work, I suggest that the labor camp program for next winter be organized to take care of a peak load of 7000 nonresident men, and that the camps begin to take men by October 15, 1932, and close by April 30, 1933, according to the following schedule:

October	15-31	2000 men	1000	man-months
November	1-30	4000 men	4000	man-months
December	1-31	6000 men	6000	man-months
January	1-31	7000 men	7000	man-months
February	1-28	7000 men	7000	man-months
March	1-31	5300 men	5300	man-months
April	1-15	4000 men	2000	man-months
April	15-30	2000 men	1000	man-months
Total				33,300 man-months

Labor camps under the supervision of the Division of Forestry this past winter were operated at a cost of 50 cents per man per day, which covered food, shelter, clothing, tobacco, transportation while working, and overhead charges aside from salaries of regular year-around employees.

At a cost of 50 cents per man per day, the above schedule of 33,300 man-months or 1,000,000 man-days requires financing to the extent of \$500,000.

I recommend the following method of financing camps for next winter:

1. Allotment of \$200,000 from State highway construction funds.
2. Allotment of \$100,000 from State highway maintenance funds.
3. Allotment of \$200,000 from State of California emergency fund.

I recommend that the highway construction fund be used to operate State labor camps for the construction of highways under the supervision of the Department of Public Works.

I suggest that the highway maintenance fund be expended under the supervision of the State Division of Forestry in fireproofing lands adjacent to State highways. In southern California particularly there has been a heavy expense to the highway department in removing from the State highway debris that has been washed down onto the roads by storms from burned over adjacent lands. Protection of such areas from fire by the construction of fire breaks and trails should protect the highways and save the maintenance cost of repair and removal of debris, and should therefore be a logical expenditure from highway maintenance funds.

The allotment from the State emergency fund should be expended under the supervision of the State Division of Forestry in the same manner and for the same purposes as were the funds allotted for the labor camps from the emergency fund this past winter.

The above program provides for taking care of over twice as many men in camp next year as was done this past winter, and provides that

the men shall be in camp for approximately two months longer than this past winter. By opening camps earlier it will be possible to send the nonresidents into camps as they arrive in the State, thereby relieving local relief agencies from the burden of taking care of nonresidents. By starting early and giving sufficient publicity it will be possible to keep out of the State of California thousands of the hobo type that refuse to work under all conditions and who will avoid the State when they know that if they enter California they will have to go to labor camps if they expect to eat. Another advantage of opening the camps earlier than last year would be secured through making it possible to establish camps before the heavy winter storms arrive.

I believe the cost per man of operating the camps can be considerably reduced from last year if the program is provided well in advance of the opening date of the camps. Arrangements can be made to purchase clothing in larger quantities at special rates. Advance notice will also permit a more careful selection of camp locations with due regard to cost of the camp itself and cost of serving the camp while in operation.

I believe that the above plan provides a practical method of taking care of the nonresident unemployed problem that will exist in California next winter, and believe that the method of financing is not only a legal use of the various State funds involved, but feel that the taxpayers will receive for the expenditure full return in the way of beneficial work performed at the labor camps.

Unless the California State Unemployment-Commission can develop a better method of caring for nonresident indigent relief next winter, I hope the Commission will endorse the above program at an early date.

I also recommend that legislation be drafted by the Commission authorizing departments and divisions of the State of California under whose supervision labor camps may be operated in the future to make necessary expenditures that arise because of operating labor camps without the payment of wages. Such expenditures include purchase of medical supplies, doctor and hospital services, clothing, transportation of men, etc. A list of such services essential to labor camp operation and not now covered by legislative authorization can be secured by the Commission from the Division of Forestry and Department of Public Works as a result of their experience in operating camps this past winter.

April 20, 1932.

EXHIBIT 12. Letter from California and Hawaiian Sugar Refining Corporation.

(Signed by William P. Bell, Personnel Manager)

Crockett, Cal., April 25, 1932.

California State Unemployment Commission,
705 Grant Building,
San Francisco, California.

(Attention: Mr. Louis Bloch, Director of Surveys)

Gentlemen:

It gives us great pleasure to comply with your request that we present our views on the subject of stabilization of employment because we feel that we have something concrete to offer on this subject.

The manufacture of sugar is a seasonal process and likewise the refining of the raw sugar has been seasonal. Many years ago the management of the California and Hawaiian Sugar Refining Company began to stabilize employment by regularizing production. At the beginning of each year an estimate is made of the amount of sugar to be refined and this amount is divided by the number of operating days we expect to run, and thus our daily melt for the year is calculated. Up to last year it had always been considered necessary to have an annual shutdown of from 30 to 45 days to overhaul equipment, but by careful planning and the proper selection of materials our Company has been able to eliminate this shutdown period and now operates continuously throughout the year at a uniform rate thereby giving year-round employment to our employees.

These two factors: (1) budgeting of production, and (2) continuous maintenance, have enabled us to regularize production and thus stabilize employment, but the present economic situation has been a challenge to our management to keep all employees employed in the face of decreased production necessitated by decreased sales due to lack of proper protective tariff.

Due to continuous research work and carefully controlled production our sugar has long been the recognized standard of quality in the sugar world, but today it seems that price and not quality controls sales. We have met very severe competition in the price field from inferior grades of plantation white sugars manufactured by low cost tropical labor and shipped by boats to be dumped into our markets, with a resultant loss to our American labor used in the direct refining of the raw sugar, in the manufacture of the various materials and supplies used in the refining and packing of the sugar, and to the labor on the railroads and steamship lines which would have been used to transport the refined product to the various markets.

That we have met the challenge of the present conditions is amply demonstrated by the following figures:

Our melt for the month of April [1932] is only 66 per cent of the melt for the month of April, 1929, yet our present number of employees is only 2 per cent below that of April, 1929. We have been able to give employment to the same number of employees with a reduced melt due to the following plans for spreading work:

1. Reduced Weekly Schedule.

Previous to August 25, 1931, our plant operated on what we called a 12-day schedule. We operated for 12 days continuously and shut down for two days each biweekly period. This was equivalent to a six-day week.

On August 25th we adopted a 10-day schedule under which we operate for 10 days continuously and shut down for four days each biweekly period. This is equivalent to 5 days per week. In some of our departments it is still necessary to operate six and seven days per week and this has been accomplished by the addition of swing men who relieve the regular operators so that they get no more than five days work per week.

From the limited experience we have had with the five-day week we believe that it is worthy of receiving serious consideration from all industries from both the standpoint of giving employment to more

labor, which is absolutely necessary at this time, and in some cases from that of effecting economies in the cost of production by increased production per unit. In other words, many plants have the capacity to produce their requirements in five days if the capacity is utilized, and by utilizing it they can in many cases reduce their overhead cost and thus effect a net saving, which, if the industry can afford it, should be divided with the employees to offset their reduction in earnings which amounts to 16 $\frac{2}{3}$ per cent in going from a six-day to a five-day week.

2. Alternating Shift Gangs or Individuals on Same Job.

We have analyzed our personnel to determine the degree of necessity for the work and are busily engaged in placing as many men as possible on a half-time basis in order to provide work for all our present employees and to help alleviate the unemployment situation by engaging new workers. At the present time we have 104 men on half time and expect to place about 150 more on half time which will enable us to hire from 75 to 125 new men.

We have a group of 36 men engaged on a part-time basis on work which used to be performed on an overtime basis by our regular crew. This crew averages from three to three and one-half days per week and earns from \$15 to \$17.50 per week.

3. Elimination of Duplication of Earnings.

In order to provide employment for those in need of work we laid off all married women whose husbands were working and who did not need the work to meet family obligations.

We have placed men on a great many of the positions made vacant by laying off the women and thus aided a great many more families to care for themselves than was the case when women filled these positions.

From the above you will agree that the California and Hawaiian Sugar Refining Corporation has recognized and discharged its obligations to labor by dividing its available work among as many workers as it is economically possible.

To specifically answer the questions in the questionnaire submitted by your committee we submit the following as our views:

1. Stabilization of Employment.

The President's Organization on Unemployment Relief has just released a pamphlet entitled, "Spreading Work, Methods and Plans in Use." In this pamphlet the methods of spreading work used by various types of industries are described to the end that an employer who is interested in doing his part in relieving the present situation may find successful plans which might be adopted or modified to suit the individual needs of his plant.

This pamphlet should perhaps be followed up by another outlining the direct benefits an employer might expect as a result of his efforts to keep the wheel of prosperity turning.

Trade associations have helped to acquaint many employers with the necessity and advantages of spreading work, but the present unemployment situation has been the means of awakening people to the necessity of better planning and regularization of employment more than anything that has thus far happened, and no doubt out of this

situation will come ways and means of preventing a recurrence. Any attempt to promote regularization of employment by legislation should be done wisely, however, because the reasons for seasonal employment and, therefore, seasonal unemployment, are usually economic and beyond executive control.

II. Emergency Unemployment Relief.

The State should not make appropriations for emergency unemployment relief. This should be a function of each community to better control the situation and to force a division of whatever work is available in the community. Conditions vary in each community and it should be the individual problem of that particular district to provide work for its citizens in the way best suited to meet its needs.

III. Technological Unemployment, Occupational Changes, and Age Limits in Industry.

A. Competition forces industry to adopt ways and means of reducing costs: and when the introduction of labor saving machinery causes the elimination of skilled occupations, there is no longer any need for that type of skill; and the worker who is forced out of employment by the machinery must adapt himself to some other type of work. It should be the duty of the employing company to train and provide this displaced worker with other employment which he is physically and mentally able to perform.

B. The State Public Employment Agencies do not need to be strengthened to enable them to direct workers displaced by machinery to new or different occupations and industries. These agencies have done good work in the past and will continue to function very efficiently if given an opportunity to do so.

C. Trade skill is rapidly becoming unnecessary because of industrial specialization. An employee is trained by the industry to perform a certain part of the work in process in an efficient manner; if he is ambitious and capable he learns that job and progresses on upward until he learns the entire process; but if he lacks ambition and is satisfied with the one job, he becomes a fixture on that particular job as long as his work is satisfactory or until that particular part of the work is changed or eliminated. In this case the industry should train the man for other work and thus vocational reeducation should entirely eliminate the problem of the displacement of trade skill.

D. It is a well established fact that most industries have a more or less arbitrary age limit. With a low labor turnover the average age of employees increases, and if no age restriction were placed on new employees entering the service as laborers, the industry would be greatly handicapped in its production; because it is an established fact that the average man will slow up appreciably as he gets older. Therefore, if industry is to take care of its older employees it must have young employees entering to carry the heavier burdens of production. The establishment of age limits has no doubt tended to prevent turnover among employees above the employment age and, therefore, ultimately it will help labor inasmuch as industry is realizing that it has a responsibility to the worker and is providing ways and means of taking care of him in his old age.

IV. Restriction of Hours of Labor.

A. Hours of labor should be restricted to the maximum number of hours of work per day and per week which can be given with reasonable assurance that all who are able and willing shall be amply provided with work.

B. If the above plan were adopted as a permanent policy the unemployment relief problem would become a thing of the past, as unemployment could not then well exist.

V. Public Works.

Building of public works should go along at a uniform rate at all times to provide regularity of work.

VI. Unemployment Reserves and Compensation.

A. Compulsory unemployment compensation is undoubtedly on its way and no doubt in a few years will be universal. Considerable experimentation will have to be done before an ideal system can be developed, but like the problems of the Workmen's Compensation Law, ways and means will eventually be found whereby a satisfactory solution will develop for all concerned. The cost will undoubtedly be a charge against industry which it will have to pass on to the consumer, and ample safeguards by means of tariff regulations should be provided to protect American industry and American workmen against the low labor cost of foreign produced articles.

1. Such a system should be maintained by contributions of employers only.

2. A system of unemployment compensation supported by industry entirely, as set up by the Groves Bill in Wisconsin, will be an inducement to each industry to bring about regularization of employment as by so doing it can reduce its cost of operation.

VII. Employment Offices.

No recommendation to make.

VIII. Other Suggestions and Proposals.

Universal adoption of present known means of spreading work would eliminate the present unemployment emergency and each industry should be circularized to the end that employment be given to as many employees as that particular industry had "On Roll" during the peak of employment in 1928 or 1929. This will mean reduced hours of work for all, but it is perhaps the only way that all employable labor can be taken care of at this or any other time.

In setting forth our opinions on this broad subject we fully realize that there are many divergent opinions and if we appear to be didactic we hasten to assure you that such is not our intention.

Respectfully submitted.

CALIFORNIA AND HAWAIIAN SUGAR REFINING CORPORATION, LTD.

(Signed) W. P. Bell,
Personnel Manager.

EXHIBIT 13. Letter from Young Women's Christian Association, San Francisco.

(Signed by Johanna Volkmann, President)

San Francisco, April 26, 1932.

The Most Reverend Archbishop,
Edward J. Hanna, Chairman,
State Unemployment Commission,
San Francisco, California.

Special Delivery

Reverend Sir:

Since unemployment has become an urgent public problem greatly affecting the health, morals and welfare of the people of this State and since California has a chance to avoid the extreme human wastage suffered in other States, we urge that your commission provide as soon as possible for:

1. A more adequate system of free employment offices to place workers more efficiently and to shorten the period between jobs. Education and retraining of workers during their unemployment should be planned.

2. A system of clearing and defining the fields of nonprofit-making employment agencies now operating in San Francisco which will include careful weekly checks on numbers placed, types of placement, trends in jobs and number of new jobs made available. This should include community planning of all employment work.

3. Work relief projects as suggested by the Russell Sage Foundation Studies.

While the above suggestions are confined to remedial measures in San Francisco, we are convinced that we should not pass through this depression without putting on our statute books measures to prevent future catastrophes. We, therefore, hope that your commission will recommend the compulsory establishment of some state-wide system of unemployment reserves [such as that] recently recommended by the Interstate Commission on Unemployment Insurance composed of representatives of the Governors of the States of New York, Ohio, Massachusetts, Pennsylvania, New Jersey and Connecticut.

Our efforts to understand, interpret and meet the needs of women workers affected by this crisis have led us to believe that there must be unification of effort under State leadership.

Assuring you of our active support in your efforts to meet this situation and our willingness to cooperate in working out plans, I am

Sincerely,

(Signed) JOHANNA VOLKMANN,
President.

EXHIBIT 14. Demands of Youth Committee of the Unemployed Council.

(Submitted by Jack Irwin)

The Youth Committee of the Unemployed Council demands the following for the single unemployed youth of Oakland:

1. \$5 weekly for food.
2. \$2 weekly for lodging.

3. No discrimination because of race, color, sex, or age.
4. Vocational training schools for all young workers up to the age of 18, to be supported by the State, with full wages.
5. Rooms of the Y. M. C. A. to be available for the use of the unemployed youth.

YOUTH COMMITTEE OF THE UNEMPLOYED COUNCIL.

(Signed) Dorothy Ray,
Secretary.

EXHIBIT 15. Letter from the Family Relief Society, San Francisco.

(Signed by Chrystal Schueszler, Secretary-Treasurer)

April 28, 1932.

Dr. Louis Bloch,
State Unemployment Commission,
City Hall,
San Francisco, Cal.

Dear Dr. Bloch:

Referring to agenda submitted to our society, for consideration and discussion, we desire to submit the following:

Stabilization of Employment:

Cut hours of labor to six (6) hours per day, five (5) days per week; minimum labor wage of \$5 per day.

Emergency Unemployment Relief:

The State should make appropriations for emergency unemployment relief, with no limitations to any given municipality.

The State should further do away with all contract systems, and do all State work by man power, on a weekly wage.

Technological Unemployment, Occupational Changes and Age Limit in Industry:

The State can remedy existing conditions by abolishing mergers, consolidations and labor saving machinery, and by paying old age pensions at the age of fifty (50) years.

Restriction of Hours of Labor:

A permanent policy should be adopted, restricting the hours of labor to thirty (30) hours per week.

Public Works:

Public works should be handled along the same lines at all times, making no changes in system covering only periods of depression.

Unemployment Reserves and Compensation:

A system of compulsory unemployment compensation should be adopted; same to be maintained by contributions from employers and the State.

Employment Offices:

All pay employment offices should be abolished and more offices opened by State.

Other Suggestions and Proposals:

By repealing the eighteenth (18th) amendment, millions of men would be put to work, and millions of dollars would be put into circulation.

Last, but by no means least—have all relief funds distributed by the municipality in cash. If deemed inadvisable to distribute in cash, a system of scrip distribution should be established, enabling each recipient to shop where and when desired; thereby benefitting all merchants who are now suffering on account of grocery distribution in lieu of cash or scrip; benefiting all families on the relief list, inasmuch as they will be able to eat food to which they are accustomed and which agrees with their systems.

Wishing you every success, we remain,

Very respectfully,

FAMILY RELIEF SOCIETY.

(Signed) Chrystal Schueszler,
Secretary-Treasurer.

EXHIBIT 16. Memorandum in Connection with Industrial Relations Program of Samarkand Company, San Francisco.

(Submitted by J. P. Rettenmayer, President)

After years of study the Program of Industrial Relations of The Samarkand Company was formulated and its plans made effective. In this effort we were prompted by the desire to test certain theories in actual practice and by the aim to aid our employees to effectively PLAN, PREPARE and PROVIDE against the common hazards of life.

We have endeavored to establish the entire program on business principles and in no way impart to it an aspect of company welfare work.

Some of the plans have been in operation for nearly three years, while others are a conversion of plans which showed signs of inherent weakness.

Guaranteed continuous employment has been in effect for over two years. No one has been laid off and all members of the organization who were in our employ for over a year had two weeks vacation with full pay between October 1, 1931, and April, 1932. This plan and policy were subjected to what we may regard as the severest test, as our business was not only affected by the depression but to a greater extent by adverse weather conditions prevailing since October, 1931.

While the cost of this and other plans of our program are current and definite, and the advantages to the company largely prospective, there were offsetting benefits from the very beginning.

A comparison of our production labor costs of last year with the composite labor cost of 88 corporations reporting to the International Association of Ice Cream Manufacturers reveals ours to be slightly lower. This is regarded as quite favorable because during 1931 we expanded our plants, which always seems to carry with it higher production costs.

During the height of the season we employ some temporary help, usually high school boys or university students. Permanent additions to the working force are generally made from those temporarily

employed by us. Temporary help receives additional pay for overtime work during hot spells, while the regular employees do not.

Our payroll in 1931 increased 15.17 per cent over the preceding year. This increase is in part due to the full time employment of two sign painters and special work in our mechanically refrigerated cabinet equipment department.

Obviously, the regularization of employment in a business that is seasonal presents a problem, particularly during a period of conditions such as prevailed during the past seven months. Our experience, however, seems to indicate that it can be done without continued adverse effects upon the interest of the stockholders. It is our hope to demonstrate regularized employment as a sound business policy and that other employers in California will study the stabilization of employment as a means of unemployment prevention and as a major problem of production and distribution.

It does not seem necessary to augment the description of other plans of our program, except to state that each has its particular importance and everyone, we believe, will merit a permanent place in our employee relationship.

In the closing statement of our program reference is made to the salary standard which we claim to be at least equal to wages and salaries paid by other corporations for comparable service and responsibilities. Average earnings in 1931 of our employees, exclusive of executives and department heads, were \$1,725.55.

We have no predetermined employment age limits—have not considered a five-day week, or a six-hour day. We believe that the subject of unemployment insurance should be carefully studied in order that a system may be evolved that is actuarially sound.

We have no ambition to make Samarkand a large enterprise and have not considered offers of large corporations of our industry to acquire our business. We are of the opinion that our business as constituted, and as an independent unit, will be of greater service to employees, stockholders, patrons, purveyors, and the public.

Moderation and a restraining influence in the future development of American business seem essential to us, if business recessions and unemployment are to be minimized or avoided. More effective control, and through it safety of institutions to which public funds are entrusted, is a requisite for recovery and permanent prosperity. Honesty and a high sense of responsibility of persons controlling such funds are of even greater importance to our economic and social welfare.

EXHIBIT 17. Letter from Community Chest of San Francisco.

(Signed by Ray W. Smith, Executive Secretary)

July 5, 1932.

California State Unemployment Commission,
San Francisco, California.
Gentlemen:

During the public hearings of your commission in San Francisco, when Mr. W. P. Fuller, Jr., Chairman of our General Executive Committee, appeared before your commission on behalf of the chest, we stated that we would file with the commission a statement of the chest's position and recommendations on the questions under item II

of your outline, this item being entitled, "Emergency Unemployment Relief."

In the order in which the questions appear in your outline, the chest recommends as follows:

A. "Should the State make appropriations for emergency unemployment relief?"

The Community Chest believes that the State should make such appropriations. In the first place, the relief in certain localities, San Francisco being one of them, is not by any means confined to its own residents. On the contrary, such communities are forced to handle cases of nonresidents originating in other parts of this State, and likewise from beyond its boundaries. In times such as these, the burden of caring for local need is overwhelming, but when communities are forced to care for the nonresident, whether from within or without boundaries of the State, there would seem to be no question but that the State should share in meeting the problem. In the second place, even though we leave out of consideration the nonresident of the particular locality, the Community Chest is convinced that local resources are inadequate to meet the increasing local relief problem. It is evidenced not alone in San Francisco, but all over the State, that local funds are rapidly being completely exhausted, with little prospect of sufficient additional money being raised in local units to meet the problem. We believe also that the present method of raising all necessary funds for relief solely in the local communities, which as a consequence places the great bulk of the burden on the real property tax, is inequitable. The chest is not undertaking to advise the commission the amount of appropriations which the State should make for unemployment relief, as that is a question which the commission itself is better able to determine than the Community Chest would be.

B. "Should there be any maximum limitation to the amount of State aid granted to any given municipality, and if so, what?"

We believe that there should be a measure to the amount of State aid granted to any municipality and that this measure should be determined upon and fixed by the State Unemployment Commission which, as stated hereunder, we believe should be continued and placed in charge of administration. This measure should be determined, at least in part, by the self-help of the local community towards the solution of its own problems, and likewise, by the amount which it contributes through the public funds, and through private sources, to the relief problem. The question of population and of need and the ability to contribute publicly and privately should also have consideration. Also, attention should be given to the policy of the local community towards the transient and its tendency to pass on its own share of this burden to other communities as well as the pressure which its policy with respect to relief may put upon its own citizens to move elsewhere.

The chest feels definitely that the State should not be expected to assume the complete burden, but each local community should be expected to handle a fair proportion of its own problem based on its resources and population and its relation to other communities.

C. "If the State should grant aid for public relief, what standards, if any, in the distribution of such aid should it require of municipalities?"

The chest recommends that the existing State Unemployment Commission, already familiar with conditions throughout the State, be continued and placed in charge of the administration of such State funds for public relief with the right to make rules and regulations under which such funds would be distributed; that the money be distributed through the county, or city and county governments; that the county, or city and county governments be permitted to use in their discretion, as their investigators, such private agencies as would meet with the approval of the State Unemployment Commission; and that the State Unemployment Commission permit as much freedom to individual counties in the matter of methods of administration as is practical.

D. "What are the best methods of furnishing unemployment relief in the respective communities in our State?"

It is recommended that the State funds be used for work and/or home relief; that the individual counties be permitted to use their own discretion as to which form of relief shall be given in individual cases; and that the basis or percentage ratio for reimbursement to the county by the State be the same for work relief and home relief.

We are hopeful that the work of your commission will result in an effective plan of meeting the present enormous and increasing relief problem.

Respectfully,

COMMUNITY CHEST OF SAN FRANCISCO.

(Signed) Ray W. Smith,
Executive Secretary.

COMMUNITY CHEST OF SAN FRANCISCO

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EXHIBIT 18. Statement Submitted by William Spooner, Secretary, Central Labor Council of Alameda County.

April 29, 1932

Mr. Chairman, and Members of the
California State Unemployment Commission:

The problem of unemployment is admittedly a very complex problem and no single measure will fully solve it. Neither can any single agency undertake to cope with it by itself. It will require the cooperation of Federal, State and local governments, management of industry and the cooperation of organized labor, in order to successfully deal with this, the most serious challenge to our national welfare. The research staff of the commission has undoubtedly delved into the facts as to the extent and distribution of unemployment and the very detrimental effects to industry and commerce, and above all the depths of misery and suffering which the worker has to undergo when the ravages of unemployment have deprived him of his small reserves and have undermined his mental and physical health; his own morale, as well as that of his dependents, his wife and his children, who can see no end to their suffering and who at best can only manage to keep alive by becoming subjects of charity.

The problem with which this commission is dealing is twofold. Our first question is whether the unemployment must be endured like the boils of Job, or whether the human mind has sufficient intelligence to cope with the situation and to evolve ways and means for controlling the situation so that we moderate the upswing of the boom and level up the trough of depression.

The second problem is of course that of alleviating the results of unemployment to the extent that we fail to prevent it. From the immediate point of view it is necessary of course to attempt to alleviate, but such methods are only patch work. It is a case of treating the outward manifestations without diagnosing and curing the real cause of the trouble. While I sympathize with the good motives of the very good people who are enthusiastically interested in labor camps, in bread lines, and soup kitchens, I am far more interested in the handling of this problem in a much more constructive and adequate manner. Even unemployment insurance, of which I am heartily in favor, is after all a question of setting aside in good times a little money for the purpose of handing it out to the worker when he is thrown out of a job. It is, in a sense, creating a reserve for the worker rather than leaving it up to himself to think of the rainy day and to provide for it. But while I believe in this distribution of the unemployment risk on an insurance basis, after all what the unemployed men and

women of this nation want are jobs, and unemployment insurance will not, except in a very minor way, contribute to give them jobs. It is only indirectly as the purchasing power tends to be maintained that work is created through unemployment insurance, and the experience of the European nations who have maintained unemployment insurance for some time proves that a system of unemployment insurance does not by itself tend to prevent this evil. It merely ameliorates the evil effects thereof to a certain extent. It has been suggested that certain unfortunate effects of unemployment insurance can be met through the single plant method, so that the payments made by each employer shall constitute an unemployment reserve of his firm and shall be so treated in the accounts. The purpose of this provision is to give the employer an effective incentive to control fluctuations in employment and make it worth his while to stabilize employment in his own plant, so that his expense for unemployment insurance will be lessened thereby.

I believe that the economists who propose this measure may have the right answer in so far as unemployment insurance is concerned, but as previously stated, the entire scheme of unemployment insurance does not prevent unemployment except in a very indirect way, and even the single plant method proposed would not, as it appears to me, have any marked effect in actually preventing unemployment.

We come back to the vital problem to be answered by the California State Unemployment Commission. What can the State of California do in order to keep its citizens employed? A program of long range public works has been suggested again and again and has been enacted into the law, although without the financial reserves having been built up this law is a dead letter in the State of California. There is no question that such a program would do a great deal of good in maintaining employment at critical periods, and I strongly recommend to this commission that legislation be prepared and proposed by the commission for the purpose of making our public works laws a reality by building up sufficient reserves in prosperous times which, when released in periods of depression, will not only serve to be a real economy for the State in that its construction work, instead of being done when costs are at their highest, will be carried on when costs have moderated, but it will actually serve to give the citizens of California jobs at the time when they need them, rather than to attract a lot of nonresidents at a time of booming business, thereby inflating the situation still more.

Professor Sumner Slichter of the Harvard School of Business Administration has recently pointed out that it is the duty of the government, as well as prudent private business management, to build up a surplus in good times and to use up this surplus, and even possibly to run up a deficit, in bad times, for the purpose of stabilizing employment conditions, and thereby holding business and industry at an even keel.

Therefore, there should be the proper legislation drafted and recommended by this commission for the purpose of building up very substantial reserves during normal times. In a State the size of California one hundred fifty million dollars would be none too much, so

that this reserve, together with the credit of the State, can be released as necessary to absorb the slack in periods of depression.

Even a long range program of public works, however, is not sufficient to adequately handle the problem of unemployment. Private employment must be regulated for this purpose. It is my belief that our psychology of private initiative will be better satisfied if the reserves created for unemployment insurance can be used primarily to maintain and create employment, and as a last resort as relief for unemployment.

I therefore recommend to this commission that the reserves to be created in private industry can be released for the purpose of maintaining and stabilizing employment as a preferable alternative to being used for the payment of benefits to unemployed. Such a method would undoubtedly bring greater difficulties of administration. It presupposes a certain degree of control over business which may be obnoxious to those who still regard the opportunity for employment in the conduct of their business as private property which can be granted or denied at their own selfish will. Employers must learn that in assuming the responsibility for management of industry they owe a debt to society to manage it in such a way as to prevent the ravages of misery and suffering which unemployment is responsible for.

Thus far it can truly be said that private industry has failed to acquit itself of this charge in any satisfactory manner whatsoever. It becomes necessary, therefore, for society to regulate the conduct of business to this extent, that the increasing mechanization of industry shall not be paid for in ever increasing unemployment and in the ever wider sweep of boom and depression.

I am therefore in favor, as previously stated, of creating reserves in the form of contributions from the employer which are to be used in times of stress for the alternative purpose of either maintaining employment or as a last resort, of helping displaced employees to tide over the period of unemployment.

Another fundamental measure which is certain to come, just as surely as the twelve-hour day was reduced to the ten-hour day and the ten-hour day was finally reduced to the eight-hour day, is the change to the six-hour day. It would be far better if this change came quickly, rather than as a result of prolonged and costly struggle between capital and labor. To this end the weight of governmental influence should be thrown as far as possible. Legislation recognizing the six-hour day as the basis of all public works and in all public employment can certainly pave the way for a readier adoption of this fundamental relief for unemployment. I would go further and urge governmental intervention in industry to the extent of legislation providing for the general adoption and application of the six-hour day.

It is not for me to define the exact limits and phraseology of the legislation designed to carry out these ideas. The members of your honorable commission, who have been engaged in this work for some time and who will undoubtedly continue the work until the next Legislature meets, will surely be in a better position to bring out the practical conclusions of these ideas. Permit me, however, to impress your honorable board with the importance of the necessary courage to

venture and try out these measures. As a nation we have had the daring to do many things which others have thought impossible. The practical method of trial and error and improvement by experience is said to be characteristic of the Anglo-Saxon mind. We can not expect to find a perfect remedy that will be brought forth full-fledged for the solution of this problem. We must assume, however, that our intelligence is sufficient to know in what direction we must go and to take the necessary steps to progress in that direction, to profit by our experience and to improve all our methods of handling this most important problem as we go along. Failing this courageous approach to the problem, we must confront the most serious menace that our national structure has ever known. It has been remarked that thus far the most serious depression has been faced by the vast majority of our citizens without loss of confidence in the basic soundness of our government and of our economic structure, but as the pressure of deprivation continues our moral reserves are being depleted, as well as our physical reserves. Those who would destroy the very foundation of our society are gleefully pointing to the apparent inability of our society, as at present constituted, to take care of the constituent members of our family. In the wake of the specter of depression and famine follows the gaunt form of the fanatically destructive, reaching out to pull down the pillars on which rest the foundation of our national structure. Want breeds misery, misery breeds desperation and desperation has been the cause of many a government tottering to its ruin.

But let me repeat, gentlemen, we have the courage, we have the intelligence and we must have the will to meet this problem just as we have met others, to meet it in a constructive and adequate manner, and to prove to the world that beneath the veneer of greed, of the strife for the almighty dollar, the body politic of our nation is still sound.

CENTRAL LABOR COUNCIL OF ALAMEDA COUNTY,

By William Spooner, Secretary.

EXHIBIT 19. Paper Submitted by E. T. Grether, Associate Professor of Economics, University of California.

Dr. Louis Bloch, Secretary,
California Unemployment Commission,
State Building, San Francisco.

My Dear Dr. Bloch:

In accordance with the expressed wish of your commission to obtain the attitudes and opinions of citizens of the State of California with respect to measures that might be taken to meet the very pressing problem of unemployment in this State, I wish to offer the following statement:

The unemployment situation with which we must deal should not be approached from the point of view of alleviating merely a temporary condition, for there is every reason to believe that the causes are deeply rooted in our industrial fabric and hence will not yield to easy palliatives. We are feeling the effects in part of world-wide readjustments traceable to the catastrophic intrusion of the World War into customary economic relations; even more, the impact of our rapidly evolving industrial society upon lagging economic and political institutions. The

problem of ultimate adjustment involves an intricate balancing of monetary, banking, credit, technological, population, and market factors. If any single word conveys our economic state of affairs today it is the word *maladjustment*.

Throughout our entire economic society we find serious maladjustments, both general and specific, as for instance, between our rural industries and those of the city, between the rate of saving and the rate of spending, between interest rates and the accumulation and the demand for capital, between technological progress and our facility in providing new occupations or ordered leisure, between gold and our money and credit structure, between our various industries and between sections of the country. In brief, there are so many intimately involved seasonal, cyclical and structural factors in our modern industrial complex as to force the conclusion that the problem can not be expected to solve itself by an unexpected business upturn. It seems to me that we may expect some amount of unemployment to be normally present even in "good times."

In view of the deeply imbedded, complicated nature of the problem it is necessary obviously to approach it from various of its aspects. I wish merely to voice my opinion in favor of one of the many proposals which are advanced; viz, a system of unemployment reserves. Among the various measures used and demanded it seems to me this one strikes deepest.

A system of unemployment reserves would not be without evils and abuses; unfortunately, its effects would be "mixed"; yet its advantages on a proper basis appear to outweigh any of its alleged defects. In so far as employers contribute to such a fund it should motivate them to provide for stabilized operation seasonally and cyclically. As a general obligation upon industry it should assist in dislodging decadent and parasitical industries more rapidly. Therefore, it would follow, too, that the pressure of circumstances should make for a more effective utilization of our capital resources. More important, however, is the consideration that a general system of unemployment reserves would assist in overcoming one of the most serious difficulties in the alternation of prosperity and depression; viz, the lack of effective purchasing power in the hands of the masses. During periods of "good times" when laborers are more largely employed the unemployment reserve fund would be accumulating and would be used for investment purposes. Then, as overexpansion in various directions began to appear, evidenced by a considerable increase in unemployment, this fund would be drawn upon for consumption purposes. The procedure of using the fund would involve the sale of securities which would transfer capital resources from the capital market to the spending markets, thus tending to reduce the rate of expansion of capital equipment and to maintain the demand in the retail market. It seems inevitable that a mechanism of this sort would tend to even out the irregularities of consumer purchasing and thus tend in part to alleviate the business cycle.

In conclusion I wish to add that I do not advocate a system of unemployment reserves as a panacea. I see no reason to assume that it is possible or even desirable to achieve a genuinely stabilized industrial order. Our long run problem is to mitigate the severity of our deeply bedded irregularities as largely as possible, and then to work out

means to make enforced leisure time socially productive, culturally speaking. A wide, adequate system of unemployment reserves should make a noteworthy contribution to the bringing of security to thousands of workers at present on local doles through no error of their own.

My statement has been in terms of the principle alone; if it be approved, experts in this field will be able to devise means to achieve the goal at least in part.

Respectfully submitted.

(Signed) E. T. GREETHER,
Associate Professor of Economics, University of California.

EXHIBIT 20. Resolutions by the Kern County Labor Council.

(Submitted by Samuel S. White, Editor Kern County Union Labor Journal)

Bakersfield, California, May 3, 1932.

RESOLUTION

WHEREAS, We having been extended an invitation by the California State Unemployment Commission to offer suggestions for the alleviation of unemployment at its public hearing to be held in Fresno, Cal., Monday, May 9, 1932, and

WHEREAS, Apparently a vast majority of our citizens are now convinced that, with the highly efficient mechanized systems of industrial and agricultural production in our country today, there can not possibly be employment for all without a shortening of the hours of labor, therefore, be it

Resolved, That we call upon the California State Unemployment Commission to recommend that the State of California enact legislation leading the way and setting an example for private industry by inaugurating a five-day week and a six-hour day in all its various departments and political subdivisions wherever practical and as soon as possible, thereby distributing the necessary tasks to be done among a greater number of its citizens.

THE KERN COUNTY LABOR COUNCIL.

[SEAL]

(Signed) W. A. Starr, Secretary.

Bakersfield, California, May 4, 1932.

California State Unemployment Commission.

Gentlemen:

The problem of unemployment is a difficult one and many sided, and there is great difference of opinion as to what should be done, both to relieve suffering in the present crisis and to prevent suffering at future dates. In this statement, prepared and submitted in behalf of Kern County Labor Council, which is an affiliate central body of the American Federation of Labor, we deal with one specific proposal, namely, employment insurance, more commonly called "unemployment insurance."

We urge this body to study and formulate a system of employment insurance which will serve to mitigate the suffering of breadwinners and their families because of the failure of employers to provide jobs,

both in normal times and in times when our economic machinery has broken down, as at present.

It is hardly necessary to point out to this commission that large scale unemployment is a byproduct of the modern machine age. Your statisticians are better informed and have access to material showing to what extent the machine is depriving men of their livelihood. However, suffering due to unemployment of wage workers is not merely a by-product of depression. We have large numbers of unemployed even in times of so-called prosperity, while we have always had unemployment because of seasonal character of certain types of work.

This is not the first time that unemployment has taken on the proportions of national calamity. At periodic intervals we have economic breakdowns and depressions. At such times we face the problem of unemployment in more realistic fashion. But always in the past when the depression has passed, we have forgotten all good resolutions to prevent a recurrence of the suffering and distress arising from lack of jobs. In the meantime the problem grows more acute even in "normal" and "prosperity" periods. Let us hope that this depression will be distinguished from others in that the American people finally decide to take steps to prevent starvation, sickness and distress because of lack of work.

The United States is practically the only industrial nation on the face of the globe that has not yet adopted a system of employment insurance. However, in this nation there is an ever growing public opinion in favor of such insurance. In California, which ranks as one of the most progressive States in the Union from the standpoint of labor and social welfare legislation, employment insurance is winning acceptance. California labor, through the California State Federation of Labor, is committed to a policy of employment insurance, and has worked to enact into law a bill which was introduced into the 1931 Legislature.

There is every probability that the electorate of this State will have the opportunity to pass upon an initiative constitutional amendment providing for a scheme of employment insurance, at the November election. Signatures for this initiative measure are now being collected.

Certain broad principles should be observed in any system of employment insurance for this State:

(1) Employment insurance to be most effective should be national in scope, but experience and constitutional law teaches us that in this nation there are almost unsurmountable obstacles to national social welfare legislation. It will probably take years before we can achieve a national employment insurance law; probably a constitutional amendment must be added. Many students hold that our Federal form of government has made this country the most backward of civilized nations as regards labor and welfare legislation. California, therefore, must not wait until the nation is ready for a national employment insurance scheme. We must recognize that if such insurance comes in this country, it will come through the action of the various States. What is desirable is that the employment insurance plans of the States approximate each other, so as to obtain as great a conformity as is possible, taking into consideration varying needs of States. California

has the opportunity to do a great service to her sister States by formulating an employment insurance measure that can serve as a model for the United States.

(2) Any system of employment insurance that seeks to remedy the situation should be compulsory and inclusive of all types of labor. Voluntary employment insurance, like other voluntary industrial welfare activities, has made little progress in this country. Had employers and industry accepted their obligations and responsibilities, they would long ago have taken steps to cope with the problem and we today would not have the widespread suffering that exists. But operating as we are under a profit system, employers subordinate every humane and social interest to that of personal or corporate profit, and they must be coerced into any activities, no matter how beneficial to the community at large, that interfere or threaten to interfere with profits. Nor is there any hope that those industries that have been wrecked through too intensive competition, such as the coal and textile industries, will accept voluntarily any scheme of employment insurance. Experience teaches us the contrary. We find that many of the voluntary systems of employment insurance were put into effect under coercion by labor unions, sometimes after severe struggles. To fail to make employment insurance compulsory and to exclude certain groups of workers will mean that those industries whose workers need the most protection will get the least benefits, and those industries which are fairly well stabilized and where the need is least, will be the first to adopt voluntary or semi-voluntary systems, and the most desirable plans. We must also consider that voluntary insurance will result in a complete lack of uniformity, that there will be almost as many types of insurance as there are industries.

(3) We believe that contributions in any system of employment insurance should be pooled. Many industries have reached the point where they are unable to support any system of insurance. Yet it is the workers in these industries that need such insurance the most. Separation of contributions into funds for the various industries has much to commend it, and the main argument in favor of the scheme is that it gives each industry an incentive to stabilize employment, and thus cut insurance costs. But in our opinion this "incentive" is over-emphasized. Our industries are suffering primarily from the ravages of the capitalistic system, which has wastes inherent in it, wastes of such proportions that any savings through "incentive to stabilize" are negligible. There are distinct gains to be obtained by stabilization even without employment insurance, yet few industries have attempted to obtain those gains.

(4) The cost of employment insurance should not be borne by the worker. The wage or salary of the worker is more often than not insufficient for his needs. Even in our "prosperity" years, the average wage of the American workingman was but \$1,308 a year, which is much less than the subsistence level established by Federal government experts. The worker already bears the heavy burden of unemployment, and he should not be asked to shoulder further the burden of insurance to prevent unemployment.

(5) In the last analysis, unemployment is the result of and is inherent in the present capitalist system. There will be an intensification of unemployment as our machine age develops, unless society steps in and asserts its responsibilities and duties to the worker who is thrown out of work because of the basic fact that machines are operated for a few instead of the welfare of all. There can be no complete solution of unemployment until society is ready and able to assure every man a steady job. This society can not do until it controls the means of production and distribution. The best that society can do under present circumstances is to see that no one starves, no matter what the cost of feeding the unemployed may be. Otherwise, we face the alternative of a complete breakdown of the system through violent means. To merely introduce employment insurance without some corrective features is quite likely to bankrupt our economic system. Such corrective provision should place the greater part of the burden of caring for the unemployed upon those who profit from the machines that take work from men. Taxes on profits, taxes on incomes and taxes on inheritances offer these corrective means, and should be included in any system of employment insurance.

(6) The functions of State employment offices should be extended and the system of employment insurance must be definitely connected with the State employment offices. Private, fee-charging agencies should be prohibited. There would be no need for them if enough State employment offices existed.

In conclusion, we wish to state that we have made no attempt to outline a comprehensive employment insurance measure. This is a task for experts. We have submitted a few recommendations as to what we, as a group of workers, believe to be desirable in any system of employment insurance. We urge this body to submit a scheme of employment insurance to the State Legislature for action at the next session.

(Signed) SAMUEL S. WHITE.

Approved by Kern County Labor Council May 3, 1932.

[SEAL] (Signed) W. A. STARR, Secretary-Treasurer.

EXHIBIT 21. Recommendations of the Fresno Community Chest.
(Submitted by Charles A. Anger, Secretary)

Fresno, California.

State Unemployment Relief Commission.

Gentlemen:

The Community Chest of Fresno, California, recommends concerted action on the part of the State of California upon the three following proposals for State participation in unemployment relief:

First: We appeal to the State Administration for the reestablishment of its State highway camps for unemployed men similar to those operated prior to April 15th, but more extensive and consequently utilizing more men.

We believe this request is justified on the basis of the present unemployment problem which shows no promise of decreasing during the summer. We believe further that the State Highway Commission has funds available which can be used for this purpose, that such camps can be operated at a greater economy during the summer months,

and that highway construction requiring the extensive use of machinery should, as far as practical, be deferred in the interest of those projects which utilize a maximum of hand labor.

Second: We petition the State particularly for the establishment of general work camps similar to those operated during the past winter and spring months, but on an expanded basis, many times greater than last winter's program for three thousand men.

We believe that the State has on hand or can secure sufficient funds to make this program possible.

Third: We petition for State participation in the general relief program.

The Community Chest of Fresno believes that the present relief situation indicates beyond the possibility of serious doubt that local communities will be unable very much longer adequately to meet the relief problem from local resources. The Fresno Chest believes that it is not the proper duty of the chests themselves to indicate the method by which the necessary funds for State participation in the relief program be raised. We believe, however, that it is the duty and the responsibility for us to point out the need, definitely and positively, and to insist on State help.

We particularly urge not only a complete acceptance of the above recommendations, but also prompt, decisive and insistent action. We stand ready to cooperate in every effective way with all other organizations and associations in furtherance of this program.

Sincerely yours,

THE FRESNO COMMUNITY CHEST, INC.

(Signed) Charles A. Anger,
Executive Secretary.

THE FRESNO COMMUNITY CHEST

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EXHIBIT 22. A Memorandum from the Employment Stabilization Committee of the California State Chamber of Commerce.

The 1931 Legislature created the California State Unemployment Commission, and authorized this commission "To investigate problems relating to unemployment, with a view to formulating and recommending such legislation as will enable the STATE to take proper steps toward the solution of any such problems."

In March, 1932, this commission issued a list of questions dealing with matters receiving consideration by their body.

The Employment Stabilization Committee of the State Chamber has given careful consideration to the questions submitted by the State Commission, and the State Chamber presents herewith a memorandum dealing with these questions.

July, 1932.

INTRODUCTORY STATEMENT

Before expressing itself on the questions submitted by the State Commission, the Employment Stabilization Committee of the State Chamber wishes to emphasize several firm convictions, which are felt to be fundamental to any consideration of the whole unemployment question:

1. No one STATE can control the forces causing depressed business and unemployment. Business leadership in California can exercise a degree of control over the extent to which we are influenced by these forces.

2. During critical times, many unwise and unsound short-time programs are readily developed without relation to their long-time effect upon our economic and social structures. Measures of expediency, frequently necessary in times of stress, should not be permitted to interfere with long-time basic programs.

3. No single issue of today is receiving more earnest thought by industry than the broad problem of its social responsibilities. There is rapidly growing a widespread feeling that if American business does not develop more effective means to assure continuity of employment and security to workers, legislation eventually will extend State and Federal control and lay the burden upon business through taxation.

4. Readjustments in public services and reduction in governmental expenditures must be made conditions precedent to business recovery. Excessive and unbalanced tax burdens are important factors among the causes that have built up unemployment. Every project involving governmental expenditures must be justified by the ability of the people to pay its cost. Public expenditures which are rationally calculated to relieve acute distress can not now be curtailed, but all other governmental expenditures must be examined with an eye to rigid economy. With particular regard for present unemployment conditions, however, programs for reduction of governmental costs should strive to effect economies with the least possible swelling of the ranks of unemployed; with reductions in salaries and spreading or rotating work preceding personnel reductions. In order to set in motion the many private business activities creating employment for our people, confidence in the future must be restored. To allay fear of present and future increased tax burdens, public services must be restricted to necessities and government expenditures must be held down to the minimum.

5. Definite changes are rapidly taking place in our economic structure characterized by the growing problem of providing work for a constantly increasing proportion of our population, no longer required in producing the so-called necessities of life. As a consequence, the present unemployment question is primarily a social problem, and only secondarily an industrial problem. Greater public recognition and consciousness of this situation must be developed.

6. Creation of overlapping employment agencies is in a large degree working at the wrong end of the problem. While properly run agencies render valuable aid in relocating [the] jobless in employment, they can not create jobs where no actual demand for labor exists. The more effective method is to deal with the question from the top down; involving the principle of action being governed by previews of work available. The nucleus of such a process lies in central clearing house agency activity in determining, as far as possible in advance, demands for labor and corresponding data as to people available at the periods required.

7. Most proposals for employment stabilization entirely overlook the practical problem of whether industry has the financial ability to support and sustain them. Long-time measures that do not presuppose the operation of the business on a profitable basis are largely idle theories. Recommendations contained in this report are made with definite recognition that their practicability fundamentally rests upon the ability of business to bear the costs.

COMMITTEE'S RECOMMENDATIONS ON COMMISSION'S QUESTIONS

(NOTE—In each instance, the word "Question" refers to questions submitted by the State Commission; and the word "Recommendation" refers to viewpoints of the State Chamber's Unemployment Stabilization Committee.)

QUESTION I. STABILIZATION OF EMPLOYMENT.

What action, if any, should be taken to promote among employers of labor the practice of regularization of employment in order to do away, as much as possible, with the so-called seasonal and other employment?

RECOMMENDATION.

The regularization of employment, apart from merely seasonal stabilization, is a part of the general problem of stabilizing business. It is the *responsibility of business management*, as far as practical, to initiate and administer sound and feasible practices to provide the maximum amount of continuous employment throughout the year. This responsibility should be exercised by business through its own organizations.

Sincere and constructive measures have been undertaken by many firms to perform this responsibility, and have accomplished results of value.

If we are approximating the point where the total necessary work no longer requires the total available labor, the expedient most obviously equitable is so to spread the work that all workers may join in it, as equally as practicable, and on such part-time basis as the situation may require.

As a temporary expedient this practice is having frequent and localized trials with uniformly good results. To realize its possibilities on a broad scale, so that it may be of general benefit, the procedure requires more general national application than it has had.

The extent to which the principle is operating is in itself sufficient reason why the spreading of work should be continued until the recovery eliminates the need.

Many successful steps have been undertaken to reduce seasonal unemployment; mainly founded on the principle of planning a budgeted production, and producing at as constant rate as possible throughout the year. There is a wide field for extension of this practice, as evidence indicates most lines of industry have flexible types of activity which may be retimed for operation during slack or off season periods. This calls for intensive analysis, by each organization, of its operating methods, and development of individual plans to fit each specific set of circumstances.

In California, there are definitely known periods during which operations of various industry groups are seasonally at lower levels. Accumulation of flexible operations until such periods [are over] can contribute materially.

Every effort should be made to stimulate the extension of these practices to all business organizations. The State Chamber's committee, together with many local civic organizations and trade bodies, have for the past year been engaged in vigorous efforts to stimulate such action throughout the State. This work has drawn national attention.

The STATE can best contribute to this desirable objective by adopting and extending these principles throughout its own departments and divisions; and by assisting the forward looking business elements to extend these practices to all private business enterprises throughout the State.

Such methods as spreading available work among a larger number of workers by shorter work periods; elimination of violent seasonal fluctuations in employment, etc., are not uniformly applicable to all industries, but vary widely according to the circumstances and conditions of individual industries and organizations. Therefore no legislative or mandatory provisions, definitely fixing and regulating *uniform and inflexible periods* of employment, should be enacted.

QUESTION II. EMERGENCY UNEMPLOYMENT RELIEF.

- A. Should the State make appropriations for emergency unemployment relief?
- B. Should there be any maximum limitation to the amount of State aid granted to any given municipality, and if so, what?
- C. If the State should grant aid for public relief, what standards, if any, in the distribution of such aid should it require of municipalities?
- D. What are the best methods of furnishing unemployment relief in the respective communities in our State?

RECOMMENDATIONS. Questions A, B, C and D.

It is properly the function of each community to take care of its *own resident* unemployed, and the State should not make appropriations for direct relief for such purposes.

However, many California communities have largely exhausted their own resources because of the necessity of dealing with tremendous numbers of nonresident transients. This is a burden that can not, and should not, be carried by these individual communities without aid.

Ordinarily, STATE expenditures for unemployment relief should be on the basis of undertaking necessary public construction and improvement projects, and the providing of employment incidental thereto. The present problem confronting many California communities, of providing relief to nonresidents, is an extraordinary condition, and calls for unusual emergency measures. The Federal government, and not the State government, has the first responsibility in providing such aid, in view of the large number of non-California residents involved. Primarily, the transient problem is a national question, and only secondly a California question if Federal assistance is not forthcoming.

State aid, if eventually imperative because of unavailing efforts to secure Federal action, will necessarily, and quite probably under the circumstances, be along self-protective lines; aimed to discourage migration of indigents from other States to California, and reduce the load on California communities. While action of this character is drastic, purely self-protective and does not contribute to permanent solution of the problem, it becomes a necessary expedient in absence of effective national measures.

During the past winter, upon strong recommendation, the State of California established a "State Work Camp Plan," primarily to discourage transients crossing our borders from other States, and also to provide some measure of relief to local communities confronted with overwhelming numbers of these transients. This State activity should be continued for the time being, as those taken care of in these camps are required to perform necessary fire trail construction, and other productive work.

Should vigorous steps to secure Federal action fail, State assistance, in critical cases, will undoubtedly become necessary. Under such extreme circumstances, departure from the normal sound policy of basing State expenditures on work relief programs, appears a justifiable emergency procedure in view of the possible economies that could be effected; as the same total expenditures through direct aid to our qualified existing local relief agencies could provide more widespread relief than if expended on work relief through State projects.

Repeated and vigorous efforts have been made by the State Chamber, together with many other agencies, to secure a recognition on the part of the Federal government of a national responsibility on this very definite national social problem. Perseverance has developed a somewhat clearer understanding in Washington of our viewpoint—that the question is not one that can be, nor should be, met and handled locally by California or its communities.

The first objective should be to follow up vigorously the ground thus gained. The State, and its communities, together with our civic and business organizations, should make every effort to secure a Federal recognition of its responsibility, and secure adequate Federal assistance.

No one committee, agency or community is in a position to suggest the best methods of furnishing unemployment relief in the respective communities of our State. The combined experience and judgment

of many agencies can contribute materially to the development of most effective and practical methods.

The State Chamber Committee recommends that the State Department of Social Welfare call a conference, this summer, of representatives of agencies from each community in California, which in its judgment are best qualified to carry on unemployment relief in their respective communities, for the purpose of determining the best methods of furnishing relief in those communities, and to exchange mutual information both with respect to relief activities and raising of local funds for local relief purposes. Questions of State aid should not be part of such a conference, and the State Department of Social Welfare should limit its function in this particular matter to that of convening the local groups into joint conference.

QUESTION III. TECHNOLOGICAL UNEMPLOYMENT.

A. What should be done with respect to the disappearance of skilled occupations and to unemployment caused by labor-saving machinery, changes in the consumption habits of the public, and business mergers and consolidations?

B. How and to what extent can the State public employment agencies be strengthened to enable them to direct workers displaced by machinery to new or different occupations and industries?

C. To what extent can vocational reeducation effectively meet the problem of the displacement of trade skill?

D. What are the facts regarding arbitrary age limits in industry, and what can be done to aid those affected?

RECOMMENDATIONS—Question A.

Individual organizations can contribute materially to modifying the problem by giving greater *advance* consideration to ways and means of accommodating displaced workers within their own organizations, *before* new mechanical appliances are installed.

Wherever the cumulative effect of labor-saving inventions tends to require less of the world's total available labor for the world's total work, a redistribution and wider spreading of work is inevitable.

There is evidence of recent migration from cities to the country, which is a reversal of the process that has been taking place for many years. This is largely caused by accumulation in cities of many thousands of farm-trained and farm-minded people, who are facing the alternative of starvation or charity, and who are going back to the land purely for reasons of self-sustenance. There appear to be opportunities of encouraging this movement, in conjunction with processes of decentralizing industry, to permit both part-time labor on a wage basis and part-time farm activities on a sustenance basis. In California particularly, this could fit into the peak harvesting labor demands of seasonal agricultural industries, by providing increased available harvest labor supplies. While this process has some conflict with economic aspects of present agricultural conditions, it is felt that the social problems involved appear broader, at the present time, than the strictly economic consideration.

Questions B and C

Vocational reeducation is a function of industry and essentially a job problem. Employees trained in industry progress upward through various jobs in the industrial process, and tend to reach those levels

that are commensurate with their ability and ambition. As a part of those requirements which the committee feels necessary for a more general stabilization of employment, it is industry's responsibility to develop a more flexible personnel. This method and process of training makes possible a quicker and wider adaptation of personnel to current conditions than would any systems of vocational reeducation undertaken *after* the need for the same develops.

The committee believes that the obligation of vocational reeducation rests fundamentally on industry, rather than on a policy of continuing increasing public expenditures, which in the latter instances are beyond and outside the industrial day to day viewpoint.

Question D

With respect to arbitrary age limits, the committee believes that industry, when and as it is able, should give serious consideration to providing surpluses or resources to meet its pension obligations, in accordance with the obligations of that industry.

QUESTION IV. RESTRICTION OF HOURS OF LABOR.

A. Should the hours of labor of adults and of minors be restricted with a view to bringing about greater employment opportunities?

1. If so, what should be the maximum hours of work per day and per week?

B. Should the policy of restricting the number of hours per day and the number of days per week apply only during periods of business depression, or should it be made a permanent policy?

RECOMMENDATIONS—Question A.

As already pointed out, varying and flexible reductions in hours of labor appear necessary, in view of the smaller number of man-hours of work available, and the problem of spreading less work over a fairly constant working population.

Reduced hours of work per capita should be worked out by industry, and should not be attempted by legislation. Present legislation in the case of minors appears adequate.

In fact, the *compulsory* imposition of uniform or standard shorter work periods would defeat the very purposes intended to accomplish. Spreading of work, through shorter work periods, must be made to fit load factors in individual firms, which vary widely. Many firms advise they are now providing greater employment to more wage earners than would be the case if they were required to adopt a standard work period; and also that establishment of such regulations would cause reductions in employment rather than increases in employment opportunities.

Question B

Restriction of hours of labor should not be governed by permanent policies, but should be flexible according to changing conditions and variations in industries.

QUESTION V. PUBLIC WORKS.

A. Should legislation be enacted providing for the advance planning of public works and for the setting up of reserve funds for such public works to be used only in periods of business depression?

1. If so, should there be central planning boards to make such advance planning more effective?

RECOMMENDATION.

Public works generally are carried on under three main and separate jurisdictions, namely, Federal, State, and local. State legislation alone could have only limited applicability, in view of the large proportion of public improvements in California carried on by Federal and local governmental agencies.

The timely execution of programs of *essential* public works unquestionably provides important work relief during periods of unemployment distress, in addition to a large volume of regular and continuous employment. However, disproportionate emphasis has been placed upon the emergency relief benefits of public construction, as a majority of unemployed are of a class of wage earners unfitted for this type of work, and can not be shifted in a mass from normal work to emergency construction.

From the long-time viewpoint, governmental projects can be more largely timed during periods when normal employment requirements of private business are at lowest levels. Orderly planning in this respect makes possible more orderly budget provisions and tends to reduce the necessities for emergency action.

Adequate organization appears to exist in the State Department of Public Works to administer State construction activities along sound and constructive lines, and legislation of the character suggested appears both unnecessary and undesirable.

During the past two years tremendous emphasis has been given to the stimulation of public construction projects, to provide emergency relief. Under the spot light of this special attention, many customs and regulations were found which prevent speedy and quick execution of governmental projects; and public construction as a flexible vehicle of quick relief has been materially discounted.

Any system of public construction involves the expansion of governmental expenditures, and consequently increased taxation. There is very definitely a line of demarcation between that point where feasible and essential public works should be undertaken, and where over-extension of governmental activity imposes exorbitant tax burdens, and impairs the capacity of private business to conduct operations at a profit and *maintain jobs and employment*.

The committee recognizes a *limited utility* in public construction as an employment relief measure, but feels that efforts to have governmental authority undertake improvement projects for the sole and only purpose of providing employment is both wasteful and economically unsound.

QUESTION VI. UNEMPLOYMENT RESERVES AND COMPENSATION.

A. Should a system of compulsory unemployment compensation be adopted?

1. If so, should such a system be maintained by contributions from employers only, or also by contributions from employees, or the employees and the State?

2. Should a system of unemployment compensation be devised to act as a financial inducement to industry to bring about regularization of employment?

B. If you do not favor the adoption of compulsory unemployment compensation, what alternative proposal, if any, do you have?

RECOMMENDATIONS—Question A.

The committee does not favor the adoption of a system of *compulsory* unemployment compensation.

The committee believes that no State, individually, can make effective any system of compulsory unemployment insurance or compensation.

State compulsory unemployment compensation would place an additional tax burden upon California business organizations, further impairing their ability to maintain present jobs, and retarding their reemployment of additional workers. The committee again emphasizes its belief (paragraph No 4 in Introductory Statement) that reduction in governmental expenditure and taxation are essential to business recovery and the creation of employment.

State action alone on this matter would increase the cost of conducting business in California, thereby decreasing the ability of California organizations to compete with firms operating in other States which have no such regulations. Past experience has clearly shown that inequalities in regulation between California and other States with respect to stockholders' liability laws, inheritance taxes, and similar matters, discourage capital from coming into California. Desirable new industries are influenced from coming into California, and firms operating in the State are induced to relocate in other States, by reason of such unequal regulations.

Several members of the committee who represent large employers, as well as others who have submitted evidence, have advised that their present pay rolls would be materially reduced if they were compelled immediately to set up a percentage pay roll as an unemployment reserve. The committee is particularly impressed with the progress which many individual firms and groups of employers have already made, voluntarily, toward the promotion of the welfare of their employees, the stabilization of employment, and the alleviation of distress; and believes every effort should be made to preserve, protect and encourage such constructive programs.

Compulsory regulations would unquestionably curtail the initiative of private industry in meeting this problem. They would have less far reaching benefits than well organized private plans; since the better equipped industries with liberal plans would be inclined to reduce their efforts to limits required by compulsory regulations, which latter obviously must be adjusted to the ability of weaker business units.

Finally, there appear to be insurmountable difficulties in applying the principle of unemployment reserves to the vast numbers of casual and seasonal labor. No system has yet been evolved to cover these classes of labor. Without permanency of employment, unemployment insurance is not insurance, since no actuarial basis is possible.

Question B

The committee believes that the problem of providing for unemployment benefits should be left to private initiative, fostered and encouraged by sound public opinion. Recently in a number of cases steps have been taken by American industry to meet this specific problem. Business management is at this time giving greater consideration than ever before to the problem at hand, as well as to the general

welfare of workers. This movement should be encouraged at this time rather than stifled by legislative action.

This committee desires to emphasize strongly to employers its belief in the necessity of the development of voluntary unemployment benefit plans. The Committee believes that business should, upon its own initiative, immediately take steps to set aside from its earnings in financially good years, employment reserves to aid in stabilization of employment; such reserves to protect its employees the same as a surplus protects its capital.

Nationally, eighty per cent of the voting organizations of the United States Chamber of Commerce have endorsed the proposition that "employers individually and collectively should provide adequate reserves for unemployment and other benefits for their employees."

The committee believes that any system or plan of unemployment compensation, regardless of whether voluntary or compulsory, is fundamentally dependent upon the financial ability of industry and business to accumulate reserves.

QUESTION VII. EMPLOYMENT OFFICES.

A. What provision, if any, should be made to enlarge the usefulness of the present system of State free employment offices?

RECOMMENDATIONS.

1. Elimination of present duplication between State and Federal agencies, as operation of Federal employment agencies in California as now conducted has meant duplication, confusion, and with particular relation to agriculture, has been wholly ineffective.

2. More quickly available and centralized information on employment conditions and opportunities in various localities and industries.

3. Employers should have a more direct share in the management of State free employment offices, as the ability of these offices to function effectively is largely dependent upon employers' cooperation and utilization of the agencies' facilities.

4. In view of the interstate character of the problem, the committee suggests the creation of some form of Federal clearing house for employment administered by a commission or body composed of equal representation on the part of employers and employees.

5. More systematic efforts should be made to properly classify and grade applicants for positions to prevent sending out misfits from employment offices.

EMPLOYMENT STABILIZATION COMMITTEE

CALIFORNIA STATE CHAMBER OF COMMERCE

Chairman, Selah Chamberlain, Vice Chairman, C. C. Hine,
Chamberlain & Proctor, San Vice Pres., Globe Grain & Mill-
Francisco. ing Co., Los Angeles.

Secretary, Washington L. Connolly
California State Chamber of Commerce

F. L. Annable,
Pres., San Diego-Arizona R. R.,
San Diego.

Paul L. Armstrong,
Gen. Mgr., California Fruit
Growers Exch., Los Angeles.

F. W. Beetson,
Gen. Mgr., Assn. Motion Pic-
ture Producers, Los Angeles.

Louis Bloch,
Chairman of Board, Crown Zel-
lerbach Co., San Francisco.

J. J. Brennan,
Pres., Calif. Fruit Exchange,
Sacramento.

Dr. Geo. P. Clements,
Agr. Dir., Los Angeles Chamber
of Commerce, Los Angeles.

John Coghlan,
Asst. to Pres., Pacific Gas &
Electric Co., San Francisco.

Ira B. Cross,
Economist, University of Cali-
fornia.

A. T. deForest,
Pres., Columbia Steel Co., San
Francisco.

James Duffy,
Asst. Traffic Mgr., Santa Fe
R. R., Los Angeles.

F. H. Knickerbocker,
Gen. Mgr., Union Pacific, Los
Angeles.

Joseph R. Knowland,
Publisher, Oakland Tribune,
Oakland.

John Mapel,
Pres., Goodyear Tire & Rubber
Co., Los Angeles.

E. W. Mason,
Vice Pres., Western Pacific
R. R., San Francisco.

Preston McKinney,
Vice Pres., Cannery League of
Calif., San Francisco.

A. T. Mercier,
Vice Pres., Pacific Electric Rail-
way, Los Angeles.

C. B. Moore,
Gen. Mgr., West. Growers Pro-
tective Assn., Los Angeles.

W. K. Etter,
Gen. Mgr., Santa Fe R. R., Los
Angeles.

Will Fischer,
Vice Pres., So. Calif. Edison
Co., Los Angeles.

S. Parker Frisselle,
Mgr. Kearney Vineyards, Kear-
ney Park, Fresno.

Wylie Giffin,
Pres., California Raisin Pool,
Fresno.

S. C. Haver,
Pers. Mgr., So. Calif. Edison
Co., Los Angeles.

C. N. Hawkins,
Agriculturist, Hollister.

Robert G. Hooker, Jr.,
Asst. to Pres., Gladding McBean
Co., San Francisco.

W. E. Hotchkiss,
Graduate, Business School,
Stanford University.

Rockwell D. Hunt,
Economist, University of So.
Calif., Los Angeles.

C. B. Hutchison,
Dean, College of Agriculture,
University of California.

Watt Moreland,
Vice Pres., Moreland Truck Co.,
Los Angeles.

Philip H. Patchin,
Asst. to Pres., Standard Oil Co.,
San Francisco.

N. R. Powley,
Vice Pres., Pac. Tel. & Tel. Co.,
San Francisco.

Norman Silberling,
Silberling Research Corp., San
Francisco.

Percy Slater,
Asst. to Gen. Mgr., Southern
Pacific Co., San Francisco.

Willis J. Walker,
Vice Pres., Red River Lumber
Co., San Francisco.

EXHIBIT 23. Program of Communist Party of California from the "Western Worker" of May 1, 1932.

(Submitted at public hearings)

AGAINST UNEMPLOYMENT AND WAGE CUTS

1. To give every unemployed worker immediate cash relief, no eviction, gas and electric shut-offs, because of nonpayment of rent by the unemployed.

2. We demand a permanent system of social insurance at the expense of the employers providing for full wages to the unemployed workers, support of sick and aged, and for the support of women unable to work because of child-birth.

3. These funds shall be raised by a graduated tax on all incomes above \$3,000. All salaries of city officials above \$3,000 shall go to the relief funds, and no taxation of city employees earning less than \$3,000 per year.

4. Immediate stopping of all wage cuts. All contractors on city and State jobs to be forced to pay union rates of wages. All private fee-charging employment agencies are to be abolished.

5. We are against all discrimination now being practiced by the city administration especially in the distribution of relief to Negro, Chinese, Japanese, Filipino, and other foreign born workers.

AGAINST BOSSES' TERROR AND POLICE BRUTALITY

1. We demand the abolition of all city regulations which interfere with the unlimited right of workers to meet, organize, strike, demonstrate or picket on the streets or in halls.

2. The immediate abolition of the "fink" agencies and the black-list system on the water front and in all employment offices.

3. The immediate release of Mooney and Billings, the Imperial Valley and all other political prisoners.

4. The repeal of the State Criminal Syndicalism Law.

5. The right of workers on city and State jobs to organize.

6. The control of all jobs distribution on city relief jobs by committees selected from the ranks of the unemployed.

7. The abolition of vagrancy laws.

8. We demand the abolition of special police squads for persecuting workers, such as the Los Angeles Red Squad.

FIGHT AGAINST THE PAUPERIZATION OF THE FARMERS

1. Farmers shall have the right to a minimum return for their labor put in irrespective of the claims of banks or other credit corporations.

2. All foreclosures shall be strictly prohibited.

3. Government insurance for live stock and crop losses.

4. Immediate reduction on all water and power rates.

PROTECTION OF WORKING WOMEN, YOUTH AND CHILDREN

1. We demand the immediate abolition of all child exploitation and support, from Government funds, of the children now working.

2. We demand the abolition of all rules which discriminate against women and youth in the distribution of city relief jobs.

3. We demand that all young people who are old enough to work shall have the right to vote.

4. We demand free lunches, clothing and carfare for workers' children in public schools.

AGAINST WAR PREPARATIONS

1. We demand the right of soldiers and sailors to organize into trade unions and workers clubs; to have the right to discuss political questions, and to fight for the improvement of their conditions.

2. We demand the right of all soldiers and sailors to vote.

3. We declare ourselves against all military preparations, the creation of new air bases, navy bases, military colleges and fortifications on the California coast.

4. We demand the right of militant workers' children to organize against military training in the schools.

5. We demand the abolition of all imperialist war propaganda especially that aimed against Oriental peoples and against the Soviet Union.

6. We demand the immediate withdrawal of all U. S. forces from China.

7. We demand the recognition of the Soviet Union, and that the ports of California be used to encourage trade with it.

8. We demand that all military, naval and air appropriations be diverted for the unemployed.

EXHIBIT 24. Unemployment Insurance Measure of the Socialist Party of California.**INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE ELECTORS**

The Attorney General has summarized the proposed amendment as follows:

UNEMPLOYMENT INSURANCE. Initiative Constitutional Amendment. Requires unemployed employee to be paid ten dollars weekly unemployment indemnity, and three dollars for dependent wife and each dependent minor child, deducting therefrom other income received. Creates unemployment insurance board, provides for State employment bureau, and prescribes their respective functions. To pay indemnities, salaries and expenses, creates unemployment insurance fund derived from taxes on yearly incomes exceeding five thousand dollars, inheritance taxes, contributions, State general fund whenever necessary and sources established by legislation. Authorizes board to determine validity of indemnity claims, and review thereof by Supreme and Appellate courts. Defines terms used, and prescribes penalties.

State of California }
County (or City and County) of _____ } ss.

To the Honorable Secretary of State of California:

We, the undersigned, registered, qualified electors of the State of California, residents of _____ County (or city and

county) present to the Secretary of State, this petition, and hereby propose that the following measure be submitted to the electors of the State of California, for their adoption or rejection, at the next succeeding general election or as provided by law.

The people of the State of California do enact as follows:

ARTICLE XXIV.

SCOPE AND INTENT

The purpose of this Unemployment Insurance Constitutional Amendment, is to create and enforce unemployment insurance to save the unemployed workmen and employees from extreme want and destitution; to relieve said workmen, employees and their dependents from extreme suffering, due to unemployment; creating a California Unemployment Insurance Board and to provide for the establishment of employment bureaus, which said bureau is to assist the unemployed and partially employed in obtaining employment for them and reducing unemployment, and to facilitate the said board in carrying out the intent and purpose of this amendment; establishing a California Unemployment Insurance Fund and designating the sources from which the said fund shall draw its revenue. The indemnity to be paid to the unemployed and conditions and regulations for such payment and directing legislation for establishing and maintaining such a fund or funds for the purpose of this amendment, in no way limiting or restricting either of the provisions of this amendment or the powers herein reserved or the benefits conferred, anything in the Constitution to the contrary notwithstanding.

DEFINITION

As used in this amendment "Employment" means any work or services for hire within the State.

"Employer" means any person, partnership, association, corporation, and the legal representatives of a deceased employer, or the receiver or trustee of a person, partnership, association or corporation, employing any employee, including the State and all municipal corporations or other political subdivisions thereof.

"Employee" means every person in the service of any employer within the State, under any contract of hire, for labor or services, manual or otherwise, express or implied, oral or written, and all helpers and assistants of employees, whether paid by employer or employee, if employed with the knowledge of the employer.

Employee unemployed, "he" or "his," shall refer to both male or female.

"Board" means the California Unemployment Insurance Board established by this constitutional amendment or a majority thereof.

"Bureau" means the labor bureau established in conjunction with the California Unemployment Insurance Board by this amendment.

"Fund" means the California Unemployment Insurance Fund established by this amendment.

"Indemnity" means the sums of money payable to the unemployed as provided by this amendment.

INDEMNITY

Indemnity shall be payable to employees for each week of unemployment after a waiting period of one (1) week.

Unemployment indemnity shall amount to ten (10) dollars, per week, if the unemployed is a single person.

An unemployed shall receive additional indemnity, amounting to three (\$3) dollars per week while he has a wife who is dependent upon him and with whom he is living, and an additional amount of three (\$3) dollars per week for each minor child living with him and dependent upon him.

An employee whose employment is reduced to such an extent that his weekly wage is less than the amount of the full indemnity to which he would be entitled, if he were totally unemployed, shall receive indemnity in such amount which, when added to his wages, will bring up his income for the week to the amount of such full minimum indemnity.

If an unemployed is in receipt of an income from property (or any other source) the amount of such income shall be deducted from the indemnity to which he shall be entitled under this amendment.

Benefits under this amendment shall not be assignable and shall be exempt from levy under execution or attachment, and such exemption can not be waived.

WAITING PERIOD

The waiting period shall commence on the day when the employee registers as unemployed in the office of the employment bureau or any agency of the same nearest to his place of employment.

EMPLOYEES ENTITLED TO INDEMNITY

Unemployment insurance indemnity shall be paid to an employee only:

If his employment within one year prior to the date of his first application has been located in this State.

If he is capable of and available for employment, has duly made application for work to the bureau and has been unable to obtain employment in his usual employment, or in another employment for which he is reasonably fitted. But an employee shall not be required to accept employment if there is a strike or lockout in the establishment in which employment is offered to him or her, or if such employment is at an unreasonable distance from his or her residence; or, if the wages offered are lower than the wages prevailing for similar work in the place of employment; or, if the work offered is not suitable to the employee, having regard to the character of the work which he is accustomed to do.

Sickness shall not disqualify the applicant from receiving the benefits under this amendment.

CALIFORNIA UNEMPLOYMENT INSURANCE BOARD

There is hereby created a California Unemployment Insurance Board, which shall consist of five (5) members, to be appointed by the

Governor of the State of California, not later than thirty (30) days after the adoption of this amendment; and that at least three (3) of said five members shall be members of organized labor and the said board shall be designated as "The California Unemployment Insurance Board"; the five members so appointed shall select their own chairman and secretary from among the members of the said board.

The Unemployment Insurance Board shall administer and carry into effect the provisions of this amendment and shall have power to make all rules and regulations and all appointments which are necessary for the enforcement of this amendment.

The board shall likewise have power to appoint similar local boards to facilitate and promote the effective administration of this amendment.

EMPLOYMENT BUREAU

The board shall immediately upon its constitution and organization, establish a California State Employment Bureau under the direction of a competent Director.

The functions of the bureau shall be to consolidate and supersede all existing State and local employment bureaus or offices; to cooperate with such Federal employment agencies as now exist or may hereafter be established; to establish rules and regulations and to provide proper forms for the registration of unemployed employees, in the State, seeking employment and employers seeking employees; to secure suitable employment for unemployed employees wherever possible; to keep and publish records and statistics of employment and unemployment in the State; and to perform such other functions as may tend to stimulate or regularize employment in the State.

The bureau shall have power to make its own administrative rules and regulations, subject to the approval of the board, and with the like approval of the board, to establish branch offices in the various parts of the State.

Members of the board shall receive an annual salary of five thousand (\$5,000) dollars. The salaries or per diem compensation of the members of local boards and directors or managers of local employment bureaus, shall be fixed by the board. The necessary traveling and other expenses of the members of the board and of the local boards and other offices and employees of such boards and of the bureau and local bureaus shall be paid from the funds of the board, upon vouchers approved by the chairman of the board.

UNEMPLOYMENT INSURANCE FUND

There is hereby created a fund to be known as the "California Unemployment Insurance Fund," for the purpose of assuring to persons entitled thereto, the indemnity provided by this amendment and covering all salaries, administrative and other expenses connected with such administration of this amendment.

Such funds shall consist of moneys contributed by the State, collected as follows:

By imposing taxes on incomes exceeding the sum of five thousand (\$5,000) dollars per year.

Moneys collected from inheritance taxes.

Moneys contributed by counties, municipalities or individual or corporate gifts.

Moneys from the State General Fund, whenever necessary, or from such other and additional sources that may be established by legislation.

Such fund shall be administered by the board. The State Treasurer shall be the custodian of the said fund and may deposit any portion of the same, not needed for immediate use, in the manner and subject to all the provisions of law respecting the deposit of other State funds by him. Moneys from the fund are to be paid out by the Treasurer, upon vouchers from the chairman and secretary of the board.

DETERMINATION OF DISPUTED CLAIMS

The validity of all claims for unemployment insurance shall, in the first instance, be passed upon by the officer of the State board or the local district board, charged with the duty of receiving and examining such claims.

If such officer shall reject the claim, he shall immediately notify the applicant of such rejection and of the reasons thereof. The applicant, upon such rejection of his claim, shall have the right to appeal to the California Unemployment Insurance Board. All forms, blanks and applications to carry this amendment into effect, including appeals, shall be printed and furnished free of charge to the applicant. From the decision of such board, review shall lie to the courts, as hereinafter stated.

The boards, herein provided for the purpose of hearing and determining claims to unemployment insurance, shall not be bound by common law or statutory rules of evidence or by technical or formal rules of procedure, but shall make investigations and inquiries and conduct hearings in such manner as to ascertain the substantial rights of the parties.

RECORDS OF EMPLOYERS

Every employer shall keep a true and accurate record of the names of all his employees, and the wages paid to them, and shall furnish to the board, upon demand, a sworn statement of the same. Such records shall be open to inspection of the board at any time and as often as may be necessary to verify the number of employees and the amount of the pay roll.

PENALTIES

Any person who wilfully:

Makes a false statement or representation with respect to any section or part of this amendment,

Fails to keep a record of his employees and pay roll or falsifies such record, shall be guilty of a misdemeanor, and shall be punished by a fine of five hundred (\$500) dollars, or by imprisonment in the county jail for a period of six (6) months, or by both such fine and imprisonment.

REVIEW

Within sixty (60) days after the decision by the board any party affected thereby may apply to the Supreme Court of this State, or to

the District Court of Appeal of the Appellate District in which such person resides, for a writ of certiorari or review, hereinafter referred to as a writ of review, for the purpose of having the lawfulness of the original order, rule, regulation, decision or award inquired into and determined.

Such writ shall be made returnable not later than thirty (30) days after the date of the issuance thereof, and shall direct the board to certify its record in the case to the court. On the return day, the cause shall be heard in the court, unless for good cause the same be continued. No new or additional evidence may be introduced in such court, but the cause shall be heard on the record of the board, as certified to by it. The review shall not be extended further than to determine whether:

The board acted without or in excess of its powers.

The order, decision, or award was procured by fraud.

The order, decision, rule or regulation was unreasonable.

If findings of fact are made whether such findings of fact support the order, decision or award under review.

Upon the hearing, the court shall enter judgment, either affirming or setting aside the order, decision or award or may remand the case for further proceedings before the board.

The provisions of the Code of Civil Procedure of this State, relating to writs of review, shall, so far as applicable, and not in conflict with this amendment, apply to proceedings in the courts under the provisions of this section. No court of this State, except the Supreme Court and the District Courts of Appeal, to the extent herein specified, shall have jurisdiction to review, reverse, correct or annul any order, rule, regulation, decision or award of the board, or to suspend or delay the operation or execution thereof, or to restrain, enjoin or interfere with the board in the performance of its duties; provided, that a writ of mandamus shall lie from the Supreme Court or the District Courts of Appeal, in all proper cases.

This amendment is self-executing.

The Legislature is directed to pass all additional necessary laws to facilitate its operation, in no way limiting or restricting either of the provisions of this amendment or the powers herein reserved or the benefits conferred.

This amendment is self-operative, anything in the Constitution to the contrary notwithstanding.

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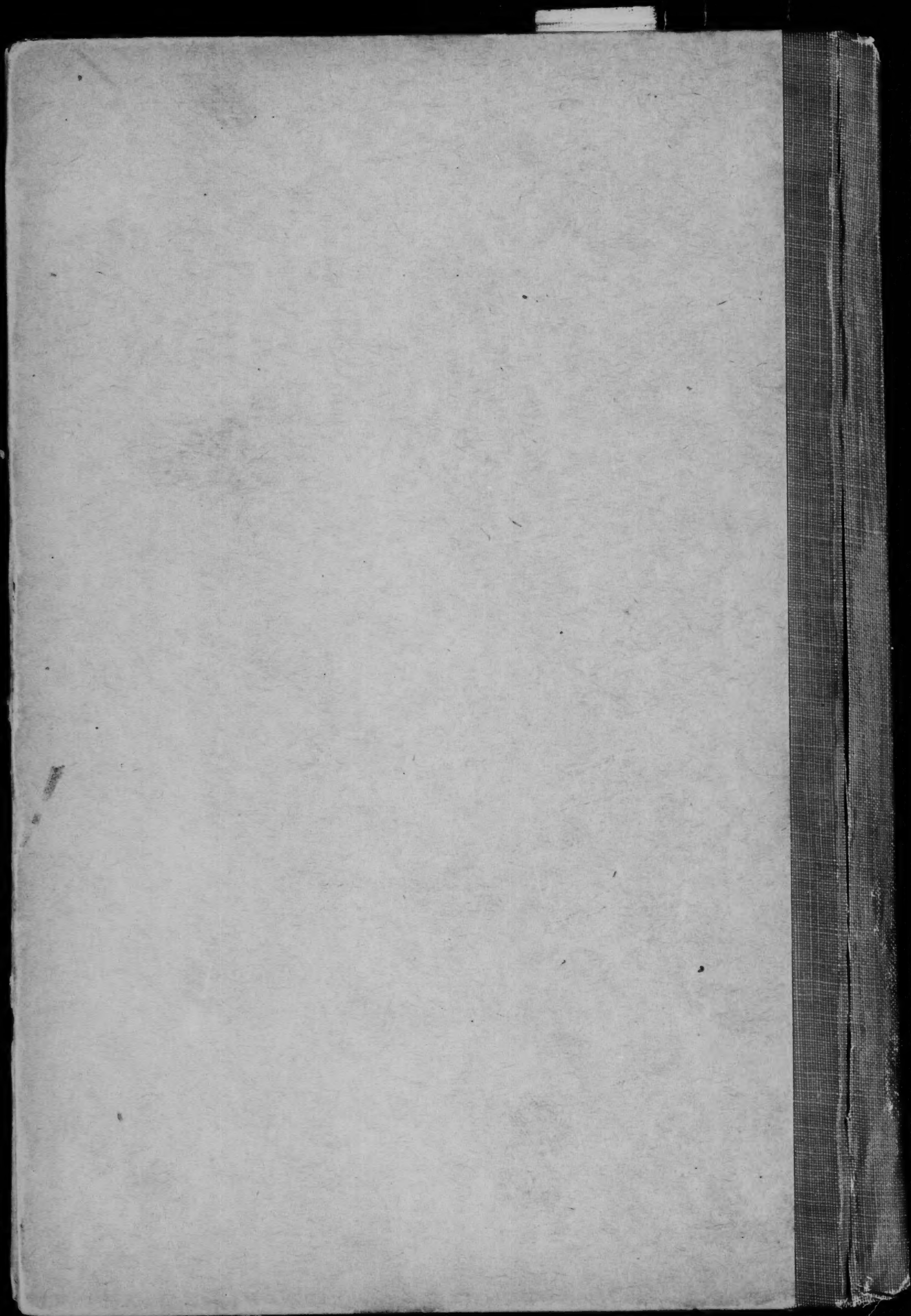
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